The China Weekly REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

How the Cotton Trade Influences U. S. Far Eastern Policy

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Apathy—A Serious Chinese Weakness . . . . By T. S. Young

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Registered at the Chinese Post Office as a Newspaper for transmission with special marks privileges in China.

Volume 80 | Shanghai, China, Saturday April 10, 1937 | Number 6

THE CHINA WEEKLY REVIEW

Formerly Millard's Review

Cable Address "REVIEWING SHANGHAI"

PUBLISHED AT NO. 160 AVENUE EDWARD VII, SHANGHAI, CHINA, BY MILLARD PUBLISHING COMPANY, INCORPORATED BY THE LAWS OF THE STATE OF DELAWARE, UNITED STATES OF AMERICA.

J. B. POWELL, Editor and Publisher; GEO. W. MISSEMER Asst. Editor; TRYPHON V. KU, Advertising Dept.; F. K. CHAO, Business Dept.

YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, TWELVE DOLLARS (CHINESE CURRENCY) IN ADVANCE, POSTAGE INCLUDED IN CHINA AND JAPAN. IN THE UNITED STATES AND FOREIGN COUNTRIES EIGHT DOLLARS U.S. CURRENCY. REMITTANCES FROM OTHER COUNTRIES THAN CHINA AND THE U.S. CAN BE MADE BY INTERNATIONAL MONEY ORDER. ENTERED AS SECOND-CLASS MATTER IN THE CHINESE POST OFFICE AT SHANGHAI IN MAY 1917.

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ACTIVITIES OF SOME OF CHINA'S FORMER CHILDREN

MANCHUS, Manchukuoans, Formosans and Koreans received prominent mention in the newspapers in recent days in a manner to cause serious thought on the part of patriotically inclined Chinese interested in the drift of affairs affecting residents of territories once acknowledging the authority of China.

MANCHUS

First was the marriage under military auspices of Lieut. Pu Chieh, brother of Henry Pu Yi, Manchu Emperor of Manchukuo, to a Japanese girl, Miss Hiroko Saga, grand-daughter of Marquis Saga. They were married at the Soldiers' Hall of the Yasukuni shrine with Gen. Shigeru Honjo and his wife serving as matchmakers. Gen. Henjo will be remembered as one of the leading Japanese warlords who put over the occupation of China's northeastern provinces. Now Honjo forges another link in the chain binding China's Manchurian territory to Imperial Japan. As Henry Pu Yi and his wife, also of Manchu blood, have no children, Gen. Henjo arranged the marriage of Henry's brother, who is a cavalry officer in the Japanese-Manchukuoan army to a Japanese princess; hence the issue of this match will be the successor to Pu Yi. The *United Press* report from Tokyo stated that Lieut. Pu Chieh wore a uniform which reminded the guests of his ancestor Nurhachi, who, some 300 years ago defeated the Chinese and placed his infant grandson on the Dragon Throne at Peiping and thus established the Manchu Dynasty which ended when the Chinese republicans deposed Pu Yi twenty-six years ago.

MANCHUKUOANS

As for the Manchukuoans, otherwise some 30,000,000 Chinese, over whom Henry Pu Yi rules with the help of some 150,000 soldiers of Imperial Japan, they have been quite effectively blotted out so far as direct news reports are concerned. However, an occasional "banditry" report receives attention, particularly an incident

such as that at Sanshing on the lower Sungari when 400 so-called Chinese "bandits" seized the town and held it for several hours against the regular garrison of 500 Japanese soldiers, meanwhile looting quite effectively the Japanese shops and homes of Japanese "armed" immigrants in the vicinity. There was special interest in the report because the Japanese military authorities had announced a few days before that the Chinese bandits in Manchuria, "previously numbering 300,000 had been reduced to 10,000."

Then there was the report of the arrest by the Japanese authorities in Manchuria of "more than 310 high Manchukuo government officials, educators, leading businessmen and students," accused of plotting to everthrow the Japanese-supported governmenal administration.

The *Shun Pao* published a message, apparently smuggled out of Manchukuo, claiming that Chinese volunteers (not bandits) had fought 528 battles with the Japanese within a period of five months. The report stated that there were 30,000 such volunteers and that they had lost 1,000 men, but had inflicted losses on the Japanese exceeding 1,400 officers and men.

These reports, including the one from Japanese sources telling of wholesale arrests in the puppet state would seem to indicate that the Manchurians do not intend to wait for deliverance by those residing south of the Great Wall.

KOREANS

Next come the Koreans who receive prominent mention in the papers almost daily in connection with smuggling, dope-peddling and anarchistic activities. One often wonders whether there are any law-abiding Koreans left because the Japanese newspapers are constantly telling of Korean "terrorists" bent on assassinating Japanese officials, while the Chinese papers constantly refer to Koreans in North China who are, with the Japanese ronin (gangsters), involved in smuggling Japanese merchandise into China. Of special interest in connection with Koreans was the report published in the local *Mainichi* alleging that a Korean named Chin Shen-shiu (Kim) had been arrested on the charge of being a radical anarchist and leader of a Korean terrorist group. It seems, according to the Japanese report, that Kim, or to use his Chinese name, Chin Shen-shiu, who apparently was only about 25 years old, had organized a Korean Youths Federation of South China. This organization, stated the Japanese report, had tried to assassinate former Ambassador Ariyoshi and had "propagated anarchism generally" over the Chinese map.

The significant element in this report was that Kim apparently had been arrested by the Chinese police authorities, acting upon instructions from the Japanese, and then had been "handed-over." Previously all Koreans, including many who had taken out Chinese citizenship, were given refuge by the Chinese police authorities, but due to Japanese threats and disregard of Chinese territorial sovereignty no Korean is safe in Chinese territory. For many years there was a prosperous Korean community in the local French Concession, the men operating small shops and the women doing needlework, chiefly the making of childrens' garments at which they were adept. But the Japanese military authorities in Manchuria and Korea sent special agents here who proceeded to "liquidate" the Koreans on all sorts of charges. Then came the Korean bombing incident in Hongkew Park when a Korean (some claim he was a Japanese) threw a bomb on a reviewing stand when the Japanese military and diplomatic officials were watching a parade. The bomb, one of the most deadly ever thrown, almost cleaned out the official Japanese group here, and since that time no Korean has been safe in the Shanghai district. The Japanese "special police," sent here from Korea, hunt the Koreans down and shoot them on sight. Those who are arrested, as was the case with the alleged anarchist Kim, are sent to Korea "for trial" and no one ever hears anything further about them. In view of the attitude of their military masters the Koreans perhaps are to be excused for turning to smuggling and dope-peddling as a source of livelihood.

FORMOSANS

As for the Formosans, former Chinese subjects who have been under Japanese rule for 42 years, there have been two recent developments of general interest. The first was an apparently authentic report that the Japanese authorities have finally forbidden the teaching of the Chinese language in the schools of the islands, an indication that the Japanization of the inhabitants has been completed. The other interesting development was the recent establishment in Shanghai of a Japanese government enterprise known as the "Commercial Museum of Taiwan," the name Taiwan having been given Formosa following Japan's annexation at the conclusion of the Sino-Japanese war of 1895. The Formosan commercial museum which the Japanese have opened here is located at No. 1 Siking Road, near the intersection of Kiangsi and Canton Roads. The museum is interesting in that it contains samples of various native products which the Formosans are now producing under Japanese auspices. Chinese young men and women might find the exhibit of educational value in that it shows what the Japanese can do with territories and peoples which they have amputated from China. Americans and Britons also might find interest in the exhibit because the Japanese are now developing an economic and military base in Formosa from which

"jumping-board" they are planning their so-called southseas expansion program. The Japanese Navy is said to have developed a strong base at Makung in the Pescadores Islands, from which point they probably will launch an attack someday on Hongkong and Manila. And it isn't necessary to explain how Formosa is serving as a base for the rapid extension of Japanese political and economic control over the province of Fukien, separated from Formosa by the 100-mile Formosan Strait, nowhere more than 100 fathoms deep and one of the finest fishing grounds in the world.

The Island of Formosa, 70 miles wide and 210 long, is one of the richest pieces of territory in the world and is more closely related to the Philippines, from the standpoint of native products and aboriginal inhabitants than it is to the islands of Japan. Formosa has had a most interesting history. The Chinese Government sent an expedition to Formosa in 605 A. D. but it apparently was unsuccessful in conquering the warlike inhabitants. However, the Fukienese were more successful and established settlements—as they did in the Philippines. The Japanese tried to found a colony in 1620 but also failed. Then followed a triangular struggle for possession of the Island by Spain, Portugal and the Dutch. The Dutch took the Pescadores, important islands lying in the channel, but later traded them to China in exchange for Formosa. The Dutch then took possession (1624) and built Fort Zealandia. Two years later the Spaniards arrived and established at Keelung a fortress which they called Santissima Trinidad, and in 1629 they established another fort at Tamsui. But they were driven out by the Dutch in 1642. The overthrow of the Ming Dynasty caused a great influx of Chinese who practically colonized the Island excepting the mountainous sections which were populated by aborigines closely related to the native inhabitants of northern Luzon of the Philippines.

The Chinese leader Koxinga, who once ruled most of Luzon Island of the Philippines, attacked the Dutch and drove them from Fort Zealandia in 1662 and, with his son and grandson, ruled Formosa until 1680 when it passed to the Manchus and was made a part of the Viceroy of Fukien and Chekiang. In 1868 an American admiral sent an expedition to Formosa in retaliation for the murder of members of the crew of an American ship wrecked on the Formosan coast. He established a base and claimed the island as American territory but Congress repudiated the action and he was forced to withdraw. In 1874 the Japanese established a base on the Island and in 1885 the French also sent an expedition. In 1887 the Manchus converted Formosa into a separate province but nine years later had to hand it over to Japan.

Two years ago there was a threatened uprising on the Island which almost spoiled a celebration which the Japanese were staging in commemoration of the 40th anniversary of Japanese rule. But the Japanese invited the Chinese Ambassador at Tokyo to visit Formosa and as a result of his visit the threatened rebellion did not eventuate. Japan's rule of Formosa has followed the usual formula, beginning with the creation of of an opium-monopoly, for use in pacifying the Chinese elders. The younger generations were enrolled in the Japanese schools and in due course became Japanese subjects, wearing Japanese clothes, reading Japanese newspapers and looking toward Tokyo for political and cultural inspiration. The Japanese apparently have demonstrated in Formosa, at least, that some Chinese can be amalgamated, for the Japanese military authorities actually have used a considerable number of Formosans (Formosan-Chinese) in their administration in the puppet state of Manchukuo.

JAPAN STANDS AT CROSS-ROADS, SPECULATES UPON WAR*

FROM the lips and the pens of the Japanese militarists and fascists themselves, Walter Smith, an English writer, has obtained a powerful indictment of Japanese expansionism not only on the Asiatic mainland but southward to the Indies and Australasia, eastward to America and westward to Britain.

The purpose of his book, "Japan at the Cross-Roads," is to arouse the people of Britain, Russia, America and France to head firmly and directly toward the organization of collective security in the Far East and to implement this course by absolutely feasible measures which will place real barriers in the way of the Japanese aggressor. Mr. Smith declares that "all friends of peace . . . must with united forces wage a resolute struggle for peace, for collective security and for civilization as opposed to fascist barbarism."

There is scarcely an original line or an original thought nor is any intended in the book. The author has purposely confined himself entirely to information about Japanese war preparations which are openly written about in the press or are spoken about by people of high authority in Japan. Through this medium, he succeeds in driving his point home again and again, with only the barest comment by himself. In other words, he lets the Japanese imperialists convict themselves.

After a hasty summary of Japanese aggression in China (the author is more interested in Japan's future activities rather what has gone by in the past), Mr. Smith quotes dozens of military officers, officials, writers, publicists and others to

*Japan at the Cross-roads, by Walter Smith. Published by Messrs. Lawrence and Wishart, 2 Parton Street, London, W. C. 1, 125 pp. 3s. 6d.

show that Japan regards a war with Great Britain as inevitable in the near future, pointing out that "all the Japanese propagandists of a war against Great Britain strongly insist on the war starting at the earliest moment."

Preparations for war against the United States are going ahead full pace because Japan believes America is responsible for Japanese isolation after the seizure of Manchuria, because she "hinders" Japan's advance in China and because she would be Britain's ally in case of an Anglo-Japanese War. Reading this chapter of the book, with the numerous quotations and exerpts from the propagandists, the reader is made to feel that war certainly must come if Japan is to be halted west of Hawaii.

The propaganda for war against Russia as soon as possible, for seizure of Inner and Outer Mongolia, the Dutch East Indies, Siam, and other Far Eastern areas, is shown in all its naked infamy, in "Japan At the Cross-Roads."

One sets this book aside with the realization that the fulminations, the protests and the appeals of the Japanese people, as made through their legally elected representatives in the Diet, against the fascist-militarist plans to conquer the Far East, defeat Great Britain, whip the United States, drive The Netherlands out of the Indies, subjugate Siam, steal India, seize Russian Siberia and "conquer the whole world", will all go to naught. These war-like samurai in Dai Nippon will never cease striving to "fulfill Japan's manifest destiny" until they are crushed from without.——E.H.L.

Cotton Element in U. S. Far Eastern Policy-Will Roosevelt Call Peace Parley?

WHILE there has been an abundance of discussion, verbal and written, on the question of American policy toward the Far East, we have as yet seen little on the important part played by cotton in the policies of the present administration. Recently the American papers have printed considerable about the so-called "gentleman's agreement" recently concluded between representatives of American and Japanese cotton interests, but most of these reports have appeared on the financial pages and no one apparently has thought of the close association of the subject of raw cotton with Roosevelt policies.

We suppose that after the smoke (verbal or powder) has cleared away some university profes- will dig into the cotton element and discover that it had more to do with Roosevelt's policy in the Far East than Open Door doctrines or anything else. It is only necessary to read some of the recent statements of Secretary of Agriculture, Henry A. Wallace, one of the most influential of President Roosevelt's Cabinet officers, to sense the significance of cotton in Washington foreign policy. In a recent article in the *New York Times* Secretary Wallace told of a trip he had taken by automobile from Arkansas to Georgia, through the heart of the cotton producing region. "In this area," stated Secretary Wallace, "there are hundreds of thousands of miserable, unpainted shacks, constructed more than fifty years ago, some of them with holes in the roof and some without glass in the windows or doors in the door openings. I have never seen among the peasantry of Europe poverty so abject as that which exists in this favorable cotton year in the great cotton States from Arkansas on to the East Coast. It is not the fault of these people that their situaion is what it is, nor is it the fault of the landlords and wealthy people of the South. The entire United States is to blame." Secretary Wallace's article was too long for reproduction here but he showed quite clearly that the critical status of the share-cropper, the actual producer of America's cotton crop, constitutes a major concern of the present Administration in Washington and inevitably has a fundamental bearing on foreign policy. The Secretary also discussed the wheat and corn-hog situation in other agricultural areas of the United States, but our concern here is with cotton—and Far Eastern policy.

While all Americans and a few Chinese and Japanese are aware of the fact that the cotton producing areas of the United States embrace all of the states politically designated as the "solid-south," it is necessary to explain to most non-Americans that this southern portion of the United States constitutes the backbone of the Democratic Party now in power, and of which the Hon. Franklin D. Roosevelt, President, is the leader.

In the economic readjustments now taking place in the United States, it is not only natural, but politically necessary, that the Administration should devote serious attention to conditions in the "cotton-belt," and that line of thought leads inevitably toward Imperial Japan as America's largest purchaser of raw cotton.

Secretary Wallace stated in the course of his article the necessity of preventing economic disturbances "in the next three or four years," which, presumably, might adversely affect the benefits of a considerable portion of the Administration's New Deal. He was referring specifically to the harmful effects of a possible real estate boom, but he might, with equal logic have referred to the necessity of not doing anything that might disturb the market for American raw cotton in Japan.

It is necessary to turn to other sources for definite information regarding the economic and political importance of the Japanese market for America's surplus cotton, the amount exported usually exceeding the amount used in domestic manufacture: The magazine *Time* on March 8 gave a summary of the Japanese-American cotton situation which was based on the recently concluded private agreement between U. S. and Japanese cotton interests which regulated the quantities of cotton cloth which the Osaka mills can export to the United States. The agreement was designated as "private" in that the conference was not participated in by officials of either government. However, it is ridiculous to suggest that the two governments were not aware of the development, particularly in view of the fact that the chief of the American delegation was Claudius Temple Murchison, former director of the Bureau of Foreign and Domestic Commerce at Washington in the preceding administration.

Of outstanding interest was the fact that this agreement definitely puts an end to the old propaganda disseminated for years by Japanese spokesmen that the trade of Japan and the United States is "complementary" rather than competitive. It was the competition of Japanese-manufactured cotton cloth with American-manufactured cotton cloth in the domestic market of the United States which caused the Americans to take steps to restrict Japanese imports into the United States.

According to the article in *Time*, U. S. imports of Japanese cotton goods in 1933 were only 1,115,713 yards. In 1934 imports of Japanese cotton cloth jumped to 16,000,000 yards. In 1935 there was a further increase to 36,000,000 yards while last year (1936) the quantity jumped to the abnormal figure of 75,000,000 yards. As the Japanese in 1935 exported a total of 2,725,109,000 yards of cotton cloth, the exports to America were only a small percentage of the total. Likewise Japanese sales in the United States constituted only a small percentage of America's domestic production of about 700,000,000 yards. But there was an element in the situation, realized by American cotton-mill owners, which was responsible for the general uneasiness. The Japanese were concentrating their exports to America in one major cloth classification, which meant that they sold in the United States last year about half of America's consumption of bleached goods, cotton rugs and cotton velveteens. Another important element was that American manufacturers, forced to raise their labor costs because of the original NRA regulations (National Recovery Act) without commensurate tariff protection, were unable to reduce costs in order to meet Japanese competition. The result was that the United States was threatened with a flood of cheap Japanese cloth. While other elements were involved, imports of cheap Japanese cloth into the United States, had considerable to do with the bankruptcy of some important cotton mills in the Northeastern States.

Mr. Murchison, who headed the American cotton delegation to Japan in January of this year, stated in an interview that Japanese cotton cloth bookings for shipment to the United States had reached 150,000,000 yards before the year was three weeks old and that unless something was done the flood of Japanese textiles would reach 500,000,000 yards for the present year. As a result of negotiations with representatives of Japanese cotton barons the Japanese were placed on a voluntary quota of 155,000,000 yards for the present year and 100,000,000 yards for 1938 with the option of transferring not more than one-fourth of the 1938 quota to the present year. Following this agreement the negotiators agreed to the appointment of a standing committee to establish further quotas for other classes of goods such as tablecloths, bedspreads, handkerchiefs.

Nothing was said in the article about Japan's purchases of American raw cotton, an obviously delicate subject, because the Japanese particularly the all-powerful military group, has been trying to find other sources of production that would enable Japan to become independent of the American raw cotton monopoly. Whereas in previous years Japanese purchases of raw cotton in America were balanced by American purchases of raw silk in Japan, this situation no longer holds good because of the falling off of the American demand for raw silk—due to the growth of the rayon industry. As a result Japan's purchases of raw cotton now greatly exceed Japan's sales of raw silk and other merchandise in the United States—a situation which the Japanese would like to rectify by selling vast quantities of their cheap cotton goods in the United States.

But while the Roosevelt Administration is devoting major attention to the farmers and is giving labor a free hand in forcing increased wage agreements, it could not ignore the threatened bankruptcy of the American cotton textile industry because of Japanese competition. This explains the quota arrangement and the manner of its negotiation so as to avoid action by Congress in raising tariffs on Japanese goods. The article in *Time* stated that Mr. Murchison, head of the cotton delegation, expected difficulty in negotiating a quota arrangement with the Japanese cotton industrialists, hence was considerably elated at the "surprising tractableness" of the Japanese—which suggests that there were other considerations not mentioned publicly which the Japanese were promised—or the Japanese had other cards

up their sleeves which they intended to play later on.

We imagine that the card-in-sleeve idea is the correct one because Tokichi Shoji, President of the Japanese Toyo Spinning Company, a Yen 70,975,000 concern, who accompanied the recent Kodama Mission to Shanghai and Nanking, declared in a *Domei* interview that China—with Japan's help—could probably supply most of Japan's cotton requirements within a period of five years. Mr. Shoji declared in the interview, issued for Chinese consumption, that Japan's purchases of raw cotton in America and British India amounting to more than Yen 900,000,000 annually could be transferred to China, providing China would agree to Japanese assistance extended in accordance with the Japanese program embracing economic cooperation of the two nations. The Toyo Cotton Spinning Company, of which Mr. Shoji is president, also controls extensive spinning and weaving mills in China, hence it is more than likely that much of the cotton cloth which the Japanese are shipping to the United States is produced by cheap Chinese labor in Shanghai, Tsingtao or Tientsin. Two years ago when the Japanese violated a similar quota arrangement with the Philippines it was found that much of the non-quota cloth being shipped into the Philippines came from Japanese mills on the China coast, or had been shipped from Osaka to Hongkong where it was re-labeled as "China Produce" and then sold in Manila in violation of the quota arrangement.

With the exception of one British-owned mill at Shanghai and one or two Chinese mills, the Japanese now control the cotton manufacturing industry in China,, which circumstance puts them in an advantageous position to compel China to engage in cotton production on a scale sufficient to supply not only the Japanese mills located on Chinese soil but also the mills in Osaka. When the Japanese occupied the Manchuria provinces in 1931 one of their first acts was to compel the Chinese farmers to engage in wholesale cotton production but the experiment, due to climatic conditions, was unsuccessful. The Japanese cotton barons, with military assistance, then transferred their activities to North China where they concentrated on two projects: forced purchase of Chinese mills and stimulation of Chinese cotton production. A Japanese cotton experimental station was established near Tientsin and large quantities of free American cotton seeds were distributed to the Chinese farmers along the chief northern railways. According to Mr. Shoji, Chinese production of raw cotton last year reached 14,000,000 piculs (one picul equivalent to 133 pounds) which represented a gain of 6,000,000 piculs over the preceding year.

Several years ago when it appeared that China was going to develop her own cotton manufacturing industry, independently of Japan, Nanking University did considerable experimenting in cotton culture and developed a new type of plant which was almost the equal of American cotton. As a result cotton production was greatly increased and there was prospect of a prosperous Chinese industry, but the Japanese have put a definite stop to the Chinese manufacturing industry; hence Chinese raw cotton, instead of being absorbed in China will now enter into competition with American cotton as a source of supply for the Osaka mills. Under Japanese inspiration the Chinese cotton areas will be greatly expanded and the quality improved, but it remains to be seen whether China, under Japanese direction and inspiration, will be able to supplant the output of Secretary Wallace's share-croppers.

An allegation that President Roosevelt's failure to take a more definite stand in support of the traditional American policy of the Open Door, was due to a fear of disturbing the Japanese market for American raw cotton, would probably be hotly denied. But despite the denial it would be correct nevertheless because one can well imagine Democratic Party leaders from the South advising against any political moves in the Far East that might interfere with Japan's purchases of raw cotton. It also is quite obvious that Japan's cotton barons have made the most of this element in their propaganda in the United States, particularly along the line that since Japan's trade (chiefly cotton buying) in America so greatly exceeds China's purchases that the United States could well withdraw from China and give the Japanese a free hand.

Of course the Japanese have no intention of depending much longer on American cotton. That's a chief reason for their desire to obtain political and economic control of this country—so they can raise their own cotton—and a number of other things which they need to compete with the United States in commerce and war.

The subject has a direct bearing on reports from various European capitals that President Roosevelt may call a world economic or disarmament conference or both. But European statesmen who have only their own complications in mind fail to realize that the United States fronts on two oceans, of which the Pacific is now the more important.

At the present time it is quite obvious—due to the close connection between cotton and Democratic Party politics—that the United States is not likely to do anything drastic in the Fart East that would disturb conditions in Japan. Later on when the Americans discover that the Japanese have, as a result of military aggression on the continent, developed other sources of supply for cotton, there will be much indignation but it probably will then be too late to do anything about it except fight!

Will the Coronation Delegation Bring Back a "Kung-Eden Convention?"

BY C. Y. W. MENG 孟長泳

THE Chinese delegation to the British Coronation, while exceeded in size by the group sent to the Washington Arms Conference in 1921-1922, is probably the most imposing from the standpoint of personnel that China ever has sent to a foreign country.

China's deep interest in the mission was indicated in the glowing tribute of the Generalissimo, delivered prior to Dr. Kung's departure, wherein Gen. Chiang Kai-shek explained the great service that the departing Finance Minister had performed in the field of government finance.

The Chinese delegation included the Finance Minister, who has been concurrently Vice-President, and on several occasions the acting President of the Executive Yuan. One is the Chinese Ambassador to the Court of St. James, who has been in England for the past five years; who was one of the Chinese delegates who fought for China in Geneva and who is well versed concerning world sentiment about China, as well as prevailing British opinion with regard to Sino-British relations. Another is the Minister of Navy (Admiral Chen Shao-kwan) who will make a serious study of England, a nation now busily engaged in armament expansion. This study will undoubtedly be of great help to him in planning China's naval development. Another is the Inspector-General of the Chinese Maritime Customs (Sir Frederick Maze), a British subject who has been faithful in service to the Chinese Government for a long time, and who is the best qualified official to give first-hand information about the smuggling situation in North China, promoted, assisted, protected and connived at, by the militarists and officials of Imperial Japan. Another member is the Director of the Bureau of Foreign Trade (Dr. P. W. Kuo), a Bureau which has done good work in furthering Sino-foreign trade. Dr. Kuo was one of China's delegates to the Monetary Conference in Washington. Another is one of China's foremost diplomat-journalists, Dr. C. Kuang-son Young, formerly Chinese Consul-General in London, and now Editor of *The China Press*, Chinese-owned English daily in Shanghai. Lastly, there are five Chinese bankers.

A study of the personnel of the Delegation will show that it comprises high officials, diplomats, publicists, trade experts and bankers. It is really more than a Coronation Mission; and Dr. Kung, in going to England, must have some other purpose, viz., the conveyance of the sincere respects and good wishes of the Chinese people to the British Monarch, Government and people. Further consolidation of the bond of friendship between China and Great Britain, who have so much in common in their philosophical tenacity, cultural outlook and material interests in the Far East, is, of course, included in the objects of the Mission!

Li-Lobanov Convention Recalled

The sending of a Coronation Mission to England is not the first such mission in Chinese history, though it is the first so far as Sino-British history is concerned. In March, 1896, Li Hung-chang was appointed to represent China at the Coronation of the Czar. While in Moscow, Li Hung-chang and Prince Lobanov signed on June 3 "a fifteen years' secret treaty of alliance" specially aimed at Japan. It was stipulated that in case the latter should pursue an aggressive policy in China, Korea or Manchuria, the contracting parties would support one another on land and sea. Serge Julevich (later Count) Witte, who actually negotiated the treaty with Li Hung-chang, succeeded in persuading the latter that the safety of China depended upon the construction by Russia of her trans-continental railway across northern Manchuria to Vladivostock. This right was granted in Article IV of the treaty. On September 8, a contract was signed by the Chinese Minister at St. Petersburg and representatives of the Russo-Chinese Bank for the construction and operation of the Chinese Eastern Railway.

As pointed out by historians, the avowed purpose of Li Hung-chang's mission, aside from representing the emperor of China at the Coronation, was to thank Russia, Germany and France officially for their intervention, which led to the retrocession of Liaotung. Indeed, had the Czar observed its provisions, the war of 1904-1905 with Japan might not have taken place!

Will There Be a "Kung-Eden Convention?"

By recalling this historical instance we do not necessarily mean that another Sino-British fifteen years' secret treaty of alliance, or a "Kung-Eden" pact, is likely be concluded; nor is it our intention to urge the present Chinese delegates to do what the Chinese statesman Li Hung-chang did—an action which is now generally condemned by historians. But what we want to point out is the similarity of the situation. China of today is apparently facing the same situation as she faced previously when she was ignominiously vanquished by her aggressive neighbor, and when she was most anxious to seek an alliance with some other power to save herself. The only difference is that, while in former days, the word "alliance" was very frequently used, nowadays the word "co-operation" is used; but, as a matter of fact, when these two terms are interpreted and analyzed, they are almost synonymous in meaning.

China's "Hopes" in the Mission

However, the Chinese public entertains much hope and has much confidence in Dr. Kung's Mission to England.

It is recalled that through the "Soong-MacMurray (T. V. Soong, the then Minister of Finance, and John A. MacMurray, former American Minister to China) Agreement," the United States agreed to restore tariff autonomy to China—an action which was automatically followed by other powers. Therefore, we hope very earnestly that the present Minister of Finance will make another similar arrangement by a "Kung-Eden Agreement," so that Great Britain will agree to relinquish her extraterritoriality in China—an action which would naturally be automatically followed by other powers, thus expediting and enabling Great Britain to fulfill the promise which she made in 1903. Through another "Quo-Eden Agreement" we hope that Great Britain will agree to abrogate the out-of-date treaty with China, and conclude another one, based on the principles of equality and reciprocity, thus expediting and enabling Great Britain to observe the principle of *rebus sic stantibus* in international law as well as Article 19 of the League's Covenant (*i. e.* The Assembly, may from time to time advise the reconsideration by Members of the League of treaties which have become inapplicable and the consideration of international conditions whose continuance might endanger the peace of the world). Through another "Chen-Eden Agreement," we hope that Great Britain will give more assistance to Chinese naval development and will build more cruisers and battleships for China, the payment for same to be on credit, instead of forcing China to turn to Tokyo for this purpose.

China has so far been doing very poor propaganda and publicity work. We hope, however, that our foremost journalists and publicists will take advantage of their presence in England to devote themselves to the cause of Chinese nationalism, and to present China's case in its true perspective to the world as well as to the British *intelligentsia*.

Further, we hope that the Inspector General of the Chinese Maritime Customs will take the opportunity to enlighten the British public on the smuggling situation and impress upon it that "the real remedy can be obtained only when it is possible to restore China's supremacy in Eastern Hopei," which is now under Yin Yu-keng's control—a puppet of the Japanese militarists, (quoted from his latest report to the Ministry of Finance, which also concludes that "the real remedy can be obtained only when it is possible to restore China's supremacy throughout northern China, including the Three North-Eastern Provinces (Manchuria), now under Japanese military occupation)."

Having been in Chinese government service for such a long time, we suppose Sir Frederick will realize well the tremendous loss in national revenues as a result of these Provinces being lost to China, and with the "smuggling activities" rampant in various parts of China; and that such losses of the national revenues have decidedly adverse effects on the economic condition of the country. The Inspector-General, we hope, will also point out to the British public that no nation can afford to lose such

territory and revenues. This is a patent reason for the Chinese to insist and demand the restoration of the "lost territories."

The Chinese bankers who follow Dr. Kung to England would do a greater service to their Fatherland if they would take the opportunity to remind British financial circles that while it is true that China, during the present period of internal industrial reconstruction, agrees to employ foreign capital, nevertheless China is most unwilling to have dealings with the powers whose out-of-date treaties with China still remain unrevised, and who still enjoy many "special privileges" in China. Therefore in that case, it is more than necessary for the Chinese negotiators to insist that agreements should include the provision, "strictly in accordance with Chinese law"—a provision which would be entirely unnecessary if the out-of-date treaties were abrogated and extrality abolished. But even if such provision is expressly provided in the agreements, the Chinese still are apprehensive that in the event of controversy foreign nationals might invoke the principle of extrality to claim exemption from Chinese laws, and in that case the Chinese would be hopeless before the situation, as the disadvantages are always on the Chinese side. So, in the negotiations for loans or credits with British financial and banking circles, our bankers should not only bargain for lower interest, better conditions of repayment, etc., but they should also remind the British that unless the many special privileges are abolished, the Chinese will not be brave enough to carry on the negotiations, and even if the negotiations are concluded, the undertaking will be of only limited value.

Such are some of the hopes which we entertain for our Coronation Mission to England. We are not extravagant in our hopes; nor do we hope to do the impossible. So far as we aware, the situation is quite favorable to us. Great Britain has adopted a "new concept" of China, which, we trust, will enable her to meet Chinese legitimate aspirations and to meet China more than half way. The point is: We have to fight harder than ever before for the abrogation of the unequal treaties, and the abolition of extrality, etc. Anything that we could accomplish in this direction at the present time will not only mean the removal of the "shackles" of the unequal treaties which were imposed on us more than three quarters of a century ago, but it will also mean the strengthening of our national prestige, which has been so badly damaged.

During this historic occasion in London China will have more contact with the world. Dr. Kung will undoubtedly be able to assure the leading chancelleries of the earnest endeavor of the Chinese Government to effect internal reconstruction so that its prosperity may reflect beneficently upon other nations and to play a major role in the preservation of peace in the Far East on a basis compatible with a sense of international justice.

Nanking, April 3, 1937.

Shigemitsu Departs from Moscow on Tour of Neighboring Countries

Mamoru Shigemitsu, Japanese Ambassador to the U.S.S.R. and former Minister to China, departed from Moscow April 2 on a tour of various states bordering the Soviet Union including Poland, Latvia, and Finland, according to official dispatches reaching Tokyo three days later.

Moscow Regrets Young Red's Misdeed

A formal apology for the pitching of a stone through the window of the Japanese Embassy in Moscow by a young Communist was tendered to Ambassador Mamoru Shigemitsu by Stomoniakoff, Vice-Commissar for Foreign Affairs, according to an official report received by the Gaimusho in Tokyo Mar. 31.

Japanese Ambassador's Home in Moscow Again Stoned

For the second time within a month, the residence of M. Shigemitsu, Japanese Ambassador to Moscow and former Minister to China, was stoned on April 3. Two windows were broken, allegedly by Midhail Panchenko, a Russian itinerant, whom police later took into custody. Police said Panchenko was drunk at the time of the stoning and that he had been referred to the Criminal Research Department.

Moscow Allegation Against Japanese Official Denied

"Baseless and ridiculous" was the description applied by the Japanese Foreign Office in Tokyo, April 5 to an allegation emanating from Moscow that M. Hiroshima, recently transferred from the Embassy in Moscow to the Legation in Warsaw, had been identified as the "Mr. H." who figured prominently in the treason trial in the Soviet capital in January. The allegation, it was pointed out, said that Mr. Hiroshima stayed in Moscow for five years as secretary of the Japanese Embassy, whereas in reality he was an attache and was transferred from London only a year ago. His recent transfer to Warsaw, it was added, was due partly to the extension of the Japanese Legation in the Polish capital, which will shortly be elevated to the status of an embassy, and partly to the reorganization of the staff of the Embassy in Moscow.

Kwantung Army Protests Against Still Another Border Incident

A protest was filed end of last week by the Kwantung Army authorities with the Soviet Government against the continued alleged crossing of the Manchukuo border by Russian border guards, the latest incident, according to the communique, occurring on Mar. 29, when a Soviet officer and eight guards crossed the border near Tungning, eastern Kirin. After surveying the area for about an hour, the Soviet group withdrew to the Soviet side of the territory, the communique alleged.

Outer Mongolia Develops Communications to Strengthen Defense

In view of the increasing tension on the border of Outer Mongolia and "Manchukuo," the Outer Mongolia government is bending its efforts toward the development of communication facilities so as to strengthen "national defence," according to a recent arrival in Kweihua form Urga, capital of Outer Mongolia, quoted by *Central News*. An agreement has recently been signed between Outer Mongolia and Soviet Russia whereby the latter will supply construction materials and technical personnel for the construction of a Urga-Kiakhta Railway linking with the Trans-Siberian Railway at Kiakhta. Construction work will be started in spring and is expected to be completed next October. The line will measure a length of 800. This is in addition to a network of highways, which has been built in Outer Mongolia with Urga as the center.

Former Head of O.G.P.U. Arrested on Charge of Sabotage

Sensational charges of sabotage in the manufacture of war material in the U.S.S.R. have been levelled against G. Yagoda, formerly head of the O. G. P. U. (Soviet Secret Police). It is likewise reported that L. Kaganovitch, Soviet Commissar for Land Transportation, is in disfavor with the Soviet General Staff, because of the bad state of the country's railways.

Regarding the alleged sabotage on the part of Yagoda, it is asserted that the munitions factories working under the surveillance of the O.G.P.U. have produced during the past year a large number of shells of a caliber that does not correspond to that of Soviet cannons. The startling claim is made that 20 per cent of the munitions produced in 1936 had to be destroyed for this reason.

A *Trans-Ocean* message from Riga April 5 stated that a serious conflict between the Soviet army and the GPU has broken out in connection with the arrest of the former GPU chief, M. Jagoda. Following Jagoda's arrest, the present GPU chief, M. Jeshoff, wanted to arrest several high army officers for alleged relations with Leon Trotzky, the exiled Bolshevik leader, but the General Staff refused to permit the arrests. At the same time K. Voroshiloff, Commissar for War, urged Josef Stalin to abolish control of the army by the GPU. M. Voroshiloff proposed to create a special organization for the control of the army's political reliability, with the General Staff reserving the ultimate decision concerning details of the organization. The General Staff also insists that the Supreme Defence Council, at present composed solely of party functionaries, shall in future include three high army officers.

Gen. Gomarnaik has been appointed "Political Commissar of the Red Army," dispatches from Moscow received in Warsaw, Apr. 5, stated. Gen. Gomarnaik heads the committee which has to examine the political views of the rank and file of the Red Army and to take up the fight against counter-revolutionary tendencies.

Another Soviet Minister Dismissed

G. G. Tagoda, Commissar of Postal and Electrical Communications, was removed last week from his post for alleged dereliction of duties.

Former Russian General Kidnapped in Syria

The former Russian General Karpinsky, who lived for years at Beirut and was missing since March 7, has been kidnapped by members of the Ogpu on board a Soviet steamer and assassinated, the Damascus newspaper *La Chronique* states.

Soviet Russia Seeks to Promote Trade with China

A special delegate has been sent to Tientsin by the Soviet Government to investigate commercial conditions. It is reported that Soviet Russia aims at developing its trade in North China.

Japanese Say Soviets Use Oppressive Measures to Get Business for Shipping Line

The Tokyo *Nichi-Nichi* Mar. 13 stated that the real animus of the Soviets in their oppression of Japanese in Vladivostock is to oust the Japanese shipping lines and to throw the business into the hands of the Soviet Vladivostock-Shanghai steamer line.

Japanese Enlist Chinese Workers to Erect Defenses Against Soviet Russia

The *Sin Wen Pao* April 5 stated that Japanese agents have been sent to various parts of the Provinces of Shantung and Hopei to enlist Chinese workers for the construction of defense works against Soviet Sussia.

Dr. Wang Chung-hui Assumes Acting Executive Yuan Presidency; Serious Famine in Szechwan

HIGH LIGHTS IN THE EVENTS OF THE WEEK:

1. **Equality Stressed by Dr. Wang in Announcement of Foreign Policy.**
2. **Wei Tao-min Appointed Acting Secretary-General of Executive Yuan.**
3. **Dr. Kung Issues Message to British People, Welcomed at Hongkong, Manila.**
4. **National Salvation Body Leaders Formally Charged With Offenses Against State.**
5. **Hsu Shih-ying Decides to Return to Tokyo as Result of Gen. Chiang's Persuasion.**
6. **Japanese Naval Maneuvers in Tsingtao Suddenly Cancelled, No Reason Announced.**
7. **Szechwan Suffers From Serious Famine, Gen. Liu Accepts Nanking's Six Measures.**
8. **Kwangtung and Kwangsi Leaders to Hold Joint Conference in Canton.**

During the next two months when he is in charge of the Executive Yuan in the absence of Gen. Chiang Kai-shek, no change in its administrative policy will be made, declared Dr. Wang Chung-hui, acting President of the Executive Yuan, in a press interview at Nanking April 4. Referring to Sino-Japanese negotiations, Dr. Wang said since the settlement of the Chengtu and Pakhoi incidents last Dec., no talks have been proceeding between the two parties. He also was of the opinion that with her full attention devoted to the forthcoming general election, Japan would have little time just now to resume negotiations with China.

Dr. Wang Chung-hui

Without equality as the foundation it would be well-nigh impossible for China to talk about co-operation and rapprochement with any foreign country, Dr. Wang Chung-hui declared at the weekly Sun Yat-sen memorial service at the Central Party Headquarters April 5. China, Dr. Wang said, has for centuries cherished the friendiest feelings towards her neighbors, quoting the Chinese saying "within the four seas all are brothers" as representing the peace-loving nature of the Chinese people. Even to the present day, Dr. Wang added, China will continue to treat her friendly neighbors in accordance with her ancient spirit on the basis of equality. As Foreign Minister Dr. Wang pledged to carry out China's foreign policy as mapped out by the Central authorities.

WEI TAO-MIN APPOINTED ACTING SECRETARY-GENERAL OF EXECUTIVE YUAN

Wei Tao-min, formerly Minister of Justice and Mayor of Nanking, was appointed by the Executive Yuan at its meeting April 6 as its acting Secretary-General during the absence of Dr. Wong Wen-hao, who is now serving as Secretary-General of the Chinese delegation to the cornation of King George VI and Queen Elizabeth. Dr. Wei's appointment was made upon the recommedation of General Chiang Kai-shek, President of the Executive Yuan. Victor Hoo, Chinese Minister to Switzerland, was appointed China's delegate to the Social Problems Committee of the League of Nations at the same meeting. Regulations governing the flotation of the $10,000,000 Revelutionary, Debts Readjustment Loan was approved at the meeting and will be referred to the Legilative Yuan for consideration.

GENERAL CHIANG RETURNS TO FENGHUA TO RECUPERATE HIS HEALTH

After a stay of two days in Shanghai Gen. Chiang Kai-shey, President of the Executive Yuan, left for Fenghua, his home town, by plane in the afternoon of April 3. The Generalissimo, who has been granted a further two months leave of absence, will spend a relatively quiet time there to recuperate his health. Gen. Chiang was accompanied by Madame Chiang, W. H. Donald, adviser, and Gen. Chien Ta-chun, chief aide-de-camp.

Efforts of Gen. Chiang Kai-shek, to minimize as far as possible friction with Japan in North China and, at the same time, prepare against Japanese invasion underlie the recent deliberations in Hangchow, *Shanghai Nippo* reported March 31. The transfer of the formre Tungpei forces to Hoan and Anhwei, the daily asserted, formed the opening step in the creation of a first line of defence against Japan. With the stationing of Gen. Yang Hu-cheng's troops at the left wing of the front line, it has become necessary, according to the journal, to link it with the forces commanded by Gen. Han Fu-chu, Chairman of the Shantung Provincial Government. This, the *Nippo* said, supplies the explanation for Gen. Han's recent visit to Hangchow to discuss plans for national defence. "Under the present circumstances", the *Nippo* declared, "there is no hope for a speedy realization of Sino-Japanese economic co-operation".

"The two main topics discussed at the recent conference of Chinese military leaders held in Hangchow under the chairmanship of Gen. Chiang Kai-shek were, first, military preparations in North China for war against Japan and, secondly, ways and means of enhancing the authority of the Central Government among the local forces in the various provinces," the *Shanghai Mainichi* declared in an editorial April 2.

Thorough-going reforms in prisons throughout the country were ordered by Gen. Chiang Kai-shek April 1. The order stated that every assistance must be given to the judicial authorities to introduce reforms. The Judicial Yuan was at the same time requested by Gen. Chiang to instruct the Ministry of Justice to keep strict supervision over the carrying out of the proposed reforms, including the renovation of prison houses, better treatment for prison inmates, improvement of prison facilities, and the education and training of prisoners.

DR. KUNG ISSUES MESSAGE TO BRITISH PEOPLE, WELCOMED AT HONGKONG AND MANILA

Dr. H. H. Kung, China's Special Ambassador to the Coronation, issued the following message, in response to a request by *Reuter*, before his departure for London April 2:—

"I welcome the opportunity to send a few words of greeting to the British people on the eve of my departure from China for London to be the representative of the Republic of China at the coronation of Their Majesties King George VI and Queen Elizabeth. "Representatives of China have attended previous coronations of British Monarchs, but no mission has sailed from China under such favourable auspieces for the cementing of enduring relations between Great Britain and China as the one that I am fortunate enough to head. Of late a vast improvement in Anglo-Chinese relations has occurred. This has been due to the fact that time has proved that the British and Chinese peoples have much in common. Both are conservative; both hold on to their best ancient traditions; both are imbued with high ideals; both possess a genius for commerce; both can

forget transitory differences. "In the past the nations have been temporarily at variance, but the steadfastness with which Great Britiain has adhered to her policy of justice and forbearance has convinced the people of China of the unquestioned genuineness of her friendship. The two countries consequently now stand together on a warmer basis of understanding than ever before. Thus, I am doubly thankful to my government for having done me the honour of sending me as its representative to this stately ceremony, which will afford me an opportunity to voice our appreciation of the extension of British friendship at a time when friendship is most precious. With confidence I look forward to a still closer spiritual union between the two peoples, and a firmer commercial bond that will bind them together, not only for their own mutual advantages, but also for the good of the world. If my visit to the centre of the British Empire leads to an increased understanding between the two nations my reward will be rich indeed."

An enthusiastic welcome was given Dr. H. H. Kung, China's Special Ambassador to the Coronation, and his party on their arrival at Manila April 6, on their way to London. The Chinese Minister of Finance and his suite were met by a representative of the Acting High Commissioner, as well as by Mayor Posagadas, and a huge crowd of Chinese residents. Dr. Kung expressed pleasure at being in the Philippines. After the Coronation, he declared, he would take advantage of his visit to Europe to investigate industrial and economic matters in the leading European countries. Dr. Kung denied emphatically that he intended to raise a foreign loan for China.

Hongkong extended a royal welcome to Dr. H. H. Kung, Chinese Special Ambassador to the British Coronation, and members of the delegation, who arrived there morning of April 4, aboard the *ss Victoria*. Sir Andrew Caldecott, Governor General of Hongkong, was unable to be at the wharf to greet the delegation on account of indisposition. He sent the Colonial Secretary, the Hon. Smith, down to the wharf to to welcome the party and express his regrets. Immediately upon their arrival, Dr. Kung and Admiral Chen Shao-kuan, Deputy Envoy, were invited to the Colonial Government House, where refreshments were served by order of the Governor General. At noon, Dr. Kung, and members of the delegation were guests of honour at a luncheon party given by Sir Robert Hotung, the Chinese financial magnate, at his palatial mansion on the hilltop. More than one hundred leading officials in Hongkong and Canton, including Tseng Yang-fu, Mayor of Canton, were present.

Later in the afternoon, Dr. Kung and his party were entertained by forty odd leading organizations in Hongkong at a reception in the Hotel Cecil. During the reception, Dr. Kung, Admiral Chen and Dr. Wong Wen-hao, all made appropriate speeches thanking the hosts. The *ss Victoria* resumed its Voyage at 8 p.m.

"NIPPO" SEES CLOSER SINO-BRITISH RELATIONS AS AIM OF KUNG TRIP

The forging of a closer relationship between China and Great Britain is seen by the *Shanghai Nippo* as the principal aim of Dr. H. H. Kung's visit to England to attend the coronation of King George VI. Discussing the matter in an editorial April 2, the Japanese daily declared this aim to be obvious from a glance at the personnel of the delegation which is accompanying Dr. Kung on his mission, "a majority of whom are closely connected with Chinese financial circles."

NATIONAL SALVATION LEADERS CHARGED WITH OFFENSES AGAINST STATE

Formal charges of offenses against the security of the state have been preferred against the seven leaders of the All-China National Salvation Association arrested in Shanghai on November 23, 1936, and three others who were taken into custody later. The trial of the 10 persons, including a woman lawyr, is scheduled to begin soon at the Kiangsu High Court in Soochow. The indictment against the "National Salvation" leaders, filed by the procurators with the High Court at the last minute before the expiration of the time-limit of the legally allowed detention of four months, also charged four others with similar offenses. As they are not yet within the jurisdiction of the High Court warrants were issued for their arrest. One of the "wanted" man is Tao Yin-chi, prominent educator and expert in rural education, who is known to be in America and last reported to be lecturing at Columbia University. The 10 accused now in custody of the Kiangsu High Court are charged with having organized groups with the aim of endangering the republic and having propagated doctrines incompatible with the *San Min Chu I*, contrary to Article VI of the Emergency Law for Punishment of Offenses endangering the Republic. This article provides, in case of conviction, a jail term of from five to 15 years. All of the 10 accused, it is understood, have denied the charges when they were handed duplicate copies of the indictment. The names of the 10 accused of whom the first seven were arrested in the International Settlement and French Concession on November 23, follow:

1. Shen Chung-ju, lawyer, and dean of a law college in Shanghai.

2. Tsang Nai-chi, American-educated economist and formerly manager of a leading Chinese bank in Shanghai.

3. Li Kung-po, American-educated educator.

4. Tsou Tao-fen, writer and formerly editor of the *Life Weekly*.

5. Wong Tsou-shih, American-educated lawyer.

6. Sa Chien-li, lawyer.

7. Miss Sze Liang, lawyer.

8. Lo Ching, formerly secretary at the Chengtai Railway Administration.

9. and 10. Ku Liu-hsing and Ren Chung-kao, alleged members of the Association retained since February 3.

The four others for whose arrest warrants have been issued are:

1. Tao Yin-chi, educator now in America.

2, 3 and 4. Chang Chung-mien, Chen Tao-hung and Chen Cheh, members of the National Salvation Association.

OPPOSITION TO POLITICAL RE-MARRIAGE GROWS WITHIN KUOMINTANG, COMMUNIST PARTY

According to a report in *Shanghai Mainchi*, questions pertaining to the proposed reorganization of the Chinese Red Army, which is one of the conditions laid down by Nanking as the price of rapprochement with the Communists, are still the subject of negotiations which are proceeding simultaneously in Sian and in northern Shensi. It is believed liktly that the Communists will accept all four conditions laid down by Nanking, but a new obstacle to any Kuomintang-Communist alliance has arisen in the shape of opposition within the ranks of both the Kuomintang and the Communist Party. Right-wing elements within the Kuomintang were opposed to the peaceful stttlement whereby the Sian rebellion was liquidated and object strongly to Nanking's suspension of the bandit-suppression campaign. From behind the scenes, they are attacking Gen. Chiang Kai-shek for his alleged change of policy in this respect. In order to be able to compose differences with the oppositionists within the Kuomintang, Gen. Chiang Kai-shek is confining all negotiations with the Communists to his provisional headquarters in Sian and will avoid the step of compelling the Kuomintang to give formal recognition to the suspension of the bandit-suppression campaign. Within the ranks of the Communist Party a strong opposition has emerged to challenge proposals for the reorganization of tht Red Army and the abolition of the so-called Soviet districts, which they look upon as political suicide. This opposition demands maintenance of the *status quo*. It is reported, however, that the Red Army will be definitely reorganized into four army divisions, and that all partisan detachments and units of aged soldiers will be disbanded.

The noted Red leader, Fang Pu-chow, is now reported to have surrendered to the Government troops in Hunan. Fang is said to have personally appeared in the government headquarters in Lungkiang on March 27 and asked to be enlisted. The surrender of Fang was precipitated by the capture of his wife by the Government forces last year.

General Yang Hu-cheng, Pacification Commissioner for Sian, returned to Sian from Shanghai via Nanking by the Eurasia airplane April 2. Interviewed, General Yang said that he reached Shanghai on March 28, in the company of General Yu Hsueh-chung, Commander of the 51st Army. Staying at the residence of T. V. Soong, member of the Standing Committee of the National Economic Council, he called on Yu Yu-jen, President of the Control Yuan, the same evening and conferred with General Wu Te-chen, the newly appointed Chairman of Kwangtung, and Lieut.-General Yang Hu, Garrison Commander for the Woisung-Shanghai Area. Proceeding to Hangchow the next day with Mr. Soong, he called on General Chiang Kai-shek thrice during his visit to the Lake City. He pledged to carry out the instructions of General Chiang in order to fulfil the expectations of the leader (General Chiang) and all fellow countrymen.

TWO NORTHEAST LEADERS TO BE GIVEN HIGH POSTS IN CENTRAL CHINA

Gen. Yu Hsueh-chung, former chairman of Kansu, is to be appointed Pacification Commissioner for Honan and Anhwei, reported *Lih Pao* April 3.

As Gen. Liu Chen-hua, chairman of Anhwei, is still very sick, the Central Government has decided to appoint Liu Shang-chin as chairman of the province to succeed Gen. Liu. It is expected that this appointment will be announced shortly.

Up to the present, two-thrids of the North-eastern (Chang Hsueh-liang) troops in Shensi and Kansu have arrived at their new garrison posts in Honan and Anhwei. The transfer of the remaining units is expected to be completed by the middle of the month.

HSU SHIH-YING DECIDES TO RESUME HIS POST IN TOKYO

Reuter reports that Hsu Shih-ying, Chinese Ambassador to Japan, has agreed to return to his post in Tokyo at the earnest request of General Chiang Kai-shek.

The establishment of a permanent organ to deal with Chinese problems is reported to be planned by the Foreign Minister, Naotake Sato, according to *Reuters*. Besides experts on Chinese affairs, the organ, which is expected to be named the Chinese Problems' Research Council, will include ministerial representatives as well as representatives of the Sino-Japanese trade association and other private organs.

JAPAN'S FINANCE, ECONOMICS DEPENDENT ON SINO-JAPANESE RELATIONS

A readjustment of Sino-Japanese relations is essential to the solution of the economic and financial situation now confronting Japan. This assertion was made in Tokyo April 5 by Toyotaro Yuki, Finance Minister, in a general discussion of governmental policies during a press interview. "It is sincerely to be hoped that economic co-operation in North China will be achieved by means of a real mutual understanding between the two peoples," Mr. Yuki said.

Belief that both China and Japantse have been "greatly benefitted" by the recent visit of the Japanese economic mission to Shanghai and Nanking was expressed April 5 by Kenji Kodama, head of the group, on his rtturn to Tokyo. Mr. Kodama denied the reports current both in Tokyo and in Shanghai that the visit has been a failure. He said that the special committees to be established in Tokyo and in Shanghai as a result of the mission's deliberations with Chinese businessmen will have sub-committees dealing with tht problems of finance, trade and sugar manufacturing.

Yomiure Shimbun reported March 27 that on the basis of China's fundamental policy that political obstacles must be removed before economic co-operation can be undertaken, the Hopei-Chahar regime has suddenly begun insisting on simultaneous enforcement of economic co-operation and abolition of the East Hopei government. Because of this stronger attitude on China's part it has become necessary for the Japanese garrison in China to devise proper measures.

The director of the Sino-Japanese cultural department of the Ministry of Foreign Affairs, revealed March 22 that the Japanese Boxer Indemnity Refund will be used for the economic development of North China. It is reported that $43,000,000 out of $70,000,000 of the Boxer Indemnity due to Japan, had been paid to the Japanese Government by the Chinese authorities.

With reference to a report emanating from British sources that a special German mission, which is to be partly composed of military members, will leave for China in the near future in order to improve the relations between China and Japan, authoritative quarters in Berlin state that there is no truth in these rumors.

Considerable attention has been aroused by the establishement of the so-called Anglo-Chinese League in Amoy April 1. The League, which has branches all over South China, was said to have been formed by a certain country other than China and Britain with malicious motive.

JAPANESE NAVAL GAME IN TSINGTAO CALLED OFF, NO REASON ANNOUNCED

The Japanese naval maneuvers, planned to be held off Tsingtao, have been called off, *Central News* reported April 2. A reception was given to the public aboard the warships in Tsingtao April 1. The ships were reported to be leaving some time the same afternoon.

Over 9,000 Japanese sailors, in five different groups, landed at Tsingtao March 31. These Japanese sailors spent the whole day visiting the city. Representatives of Gen. Sung Cheh-yuan, chairman of the Hopei-Chabar Political Council, and students of the Naval Academy in Tsingtao went on board these Japanese warships and inspecttd them.

JAPANESE NAVAL CONFERENCE OPENS IN TIENTSIN

Five representatives of the Japanese Special Landing Party in Shanghai who arrived at Tientsin April 2 are attending a naval conftrence there. Three questions are being discussed at the conference. They are. (1) Building of the Tangku harbor, (2) Maintenance of close co-operation between the Japanese naval officers in different parts of China, and (3) Establishment of defence lines along the China coast between the Takukow near Tientsin and Woosung near Shanghai.

Admiral Mineo Osumi, former Navy Minister and this year's special naval inspector, left Tsingtao for Shanghai April 6, aboard the 10,000-ton cruiser *Myoko*. Following his arrival April 5, Admiral Osumi inspected the units of the Tenth Destroyer Flotilla, commanded by Rear-Admiral Masasuke Shimomura.

Japanese military plane, No. 1104, landed at Tsingtao April 3, with two Japanese passengers. The plane returned to Tientsin after a twenty-minute stop in that port.

Seven Japanese destroyers and cruisers suddenly arrived at Swatow on April 4, from Formosa, the purpose of which is unknown. The Swatow city government was not informed of the fleet's visit by the Japanese Consulate until one hour later.

GEN. HAN FU-CHU TO RESIGN SHANTUNG CHAIRMANSHIP?

Following his conversations with Generalissimo Chiang Kai-shek in Hangchow, Gen. Han Fu—chu is reported to have resigned his concurrent post as chairman of the Shantung Provincial Government, according to *Shanghai Nichi-Nichi*. It is understood that Gen. Han will henceforth devote all his time to military affairs in Shantung, while Gen. Chiang Pai-chen, personal representative of the Generalissimo in Shantung, will take over the chairmanship of the province. The Nanking Government has agreed to subsidise the Shantung troops to the extent of $400,000 monthly.

"My recent trip to the South convinced me that China's future is extremely bright, judging from the remarkable progress in her political and economic reconstruction work" declared Gen. Fu-chu, chairman of Shantung, who arrived at Tsingtao April 5. Gen. Han returned to Tsinan April 8.

GENERAL SUNG CHEH-YUAN WANTS ABOLITION OF EAST HOPEI REGIME

Asahi Shimbun reported that General Sung Cheh-yuan, chairman of the Hopei-Chahar Political Council, made the following bold remark recently in an interview with a certain Japanese leader in Tientsin.

"Dissolution of the East Hopei Government is the rst step toward Sino-Japanese economic co-operation in North China. Construction of Tientsin-Shihchiachuang railway and development of the Lungyin iron mine are to be done after the East Hopei government has been dissolved."

More than 7,000 boy scouts representing 100 municipal and private middle and primary schools in Peiping, were inspected by General Sung Cheh-yan, chairman of the Hopei-Chahar Political Council, on the grounds of the Fourth Municipal Middle School April 4.

The Tientsin Municipal Government has issued orders to its subordinate organs, prohibiting the granting of permanent land lease to foreigners by Chinese land owners. The step was taken as a sequel to recent reports that several foreigners have, under Chinese names, secured permanent land lease from local property owners in definane of Chinese law.

BANK NOTES OF EAST HOPEI CIRCULATED IN TIENTSIN

Large quantities of bank notes issued by the bogus East Hopei regime are being circulated in Tientsin despite the strict order of the authorities to prohibit all Chinese banks and shops to use them. With the support of the Yokohama Specie Bank and the Bank of Chosen, these bank notes are being used widely in the Japanese Concession.

Both the Yokohama Specie Bank and the Bank of Chosen in Tien'sin have so far not yet handed over their silver hoardings to the Central Bank of China. The exact amount of silver dollars held in the Japanese vaults are not ascertainable, although it is reported that the Yokohama Specie Bank holds about $1,000,000 while the Bank of Chosen has about $700,000.

JENGHIS KHAN'S BIRTHDAY TO BE OBSERVED MAY 1

The birthday anniversary of Jenghis Khan, Mongolian conqueror who founded the Yuan dynasty will be celebrated in Suiyuan on May 1.

Hope that Prince Teh would soon realize his past mis'akes and refrain from activities which will precipitate further internecine war in Mongolia was expressed by Prince Sha, Chairman of the Suiyuan Mongolian Political Council, shortly before he entrained for Nanking April 5. Accompanied by a retinue of 50 persons, Prince Sha also gave vent to regret over the recent reorganization of the Mongol banners in Chahar as a result of external instigation. Prince Sha will report to the Central authorities on the affairs of the political council in Suiyuan and will take up matters concerning defense of the Mongol regions against possible foreign aggression.

NEW BOGUS REGIME ESTABLEDED IN NORTHERN CHAHRR

A new bogus government has been established in northern Chahar by the "Irregulars," according to reports reaching Kalgan April 1. The various banners of the Silingol League, which form a long narrow strip lying north of the Chahar Mongols and south of Outer Mongolia, have been changed into a "Banner Government," the report states. The eight banners under the Chahar League have also been instructed by the bogus authorities to establish immediately a similar government to that in the Silingol League. All of these new begus administrations have engaged nationals of a "certain country" as high advisers.

Li Shou-hsin, commander of the "Manchukuo" troops in North Chahar, who went to Tokyo some time ago to receive special instructions, returned to Chiapushih April 3, according to *Sin Wan Pao*. An important meeting will be held in Chiapuhsih on April 10. Three Japanese military officers visited Chiapushih lately and executed five leaders who tried to stage revolts against the Japanese in North Chahar April 3.

PANCHEN LAMA TO RETURN TO TIBET IN SUMMER, ANCHIN HUTUKETU ARRIVES IN SHANGHAI

Because of the spring thaw which has set in over frozen ground in Kokonor and Tibet, the much heralded return trip of the Panchan Lama to Lhasa will not begin until June next, according to Col. Kao Chan-chu, adjutant to the Living Buddha, who arrived in Nanking from Kohonor March 30. The Tibetan secular pontiff is still in Yushu in the Kokonor and Sikang border.

People in Tibet are eagerly awaiting the return of their most respected leader, the Panchen Lama, to Lhasa to take charge of political affairs in the outlying territory, declared the Anchin Hutuketu, influential living Buddha from Tibet and member of the Central Executive Committee of the Kuomintang, in an interview with a representative of the *Central News Agency*. The Tibetan dignitary arrived at Shanghai April 5 from Tibet via India aboard the British Steamer "Shirala" on his way to Peiping to conduct a special religious ceremony there. He expressed the hope that industrialists in Shanghai and Nanking will assist in the development of Tibet which is at present handicapped by lack of communication facilities. The Living Buddha left for Nanking April 7, to interview General Wu Chung-hsin, Chairman of the Mongolian and Tibetan Affairs Commission, and o'her government leaders. After a brief stay there, he will proceed to Peiping.

SZECHWAN SUFFERS FROM SERIOUS FAMINE, GEN. LIU ACCEPTS NANKING'S SIX MEASURES

Famine refugees in Szechwan are ekeing out a bare subsis'ance on "white mud," tree barks and plant roots. This was revealed in a plea addressed by the Szechwan Famine Relief Commission to the National Government, the Executive Yuan, the Military Affairs Commission, the Ministry of Finance and the National Famine Relief Commission for the immediate appropriation of $15,000,000 for emergency relief. After taking this queer diet, many refugees, according to the telegram, got sick and died while others in digging in the hills for the kind of mud believed to be able to satiate hunger were killed in caves in land slides or rocks. Szechwan, the telegram said, has been suffering from a continuous drought. Due to the lack of rain, all plants have withered and even all water sources have dried up. The severe drought situation which came in the wake of Communist disturbances and natural calamities, including hailstorms, windstoorms, and insect pests, added greatly to the sufferings of the people, the telegram asserted. In conclusion the telegram urges that $5,000,000 be immediately appropriated from the national treasury for the emergency relief of the 50,000,000 famine refugees in the province, *Central News* reports.

A six point program for the promotion of closer rela'ions between the Central Government and Szechwan has been drawn up by Gen. Ho Ying-chin, Minister of War. This was revealed by Gen. Ho Kuo-kwang, acting Director of the Generalissimo's provisional Headquarters in Chungking, who returned there April 5 from visit to Nanking, Hangchow and Shanghai. The six measures, serving as the guiding principles for political and military rehabiltation in Szechwan, according to Gen. Ho, have been approved by Gen. Chiang Kai-shek and accepted by Gen. Liu Hsiang, Chairman of Szechwan. While details

(Continued on page 226)

Britain's Defences at Hongkong Counter Japan's Fortifications in Formosa

BY THE REVIEW'S SOUTH CHINA CORRESPONDENT

THOUGH the result of the British navy and army combined maneuvers has not been announced it seems evident that the weakness of Hongkong's defence against attack from the air has been revealed as a result of the maneuvers. It is rather significant that when the "hostile" bombers attacked Hongkong during the recent mimic war several successful raids were registered by the attackers.

The purpose of the aerial exercises, were, presumably, to test Hongkong's defences from an attack by enemy bombers. Because of its geographical position, Hongkong needs to fear attack from only two nations, Japan and China. Great Britain's relations with China have been put on a friendly basis as shown by the most recent developments in the South-west and in Nanking. As Sun Fo, President of the Legistative Yuan, said in Hongkong not very long ago, "Never before in the history of Sino-British relations have the two great nations been so friendly as they are at the present time." Coming from the son of the Kuomintang founder during his recent visit to Hongkong this assurance should encourage more British investment in Kwangtung and China.

On the other hand Japan's relations with Great Britian have been somewhat strained by recent incidents including the case at Keelung, which still remains unsettled now.

Forming part of the British scheme to spend a sum of $20,000,000 before the end of 1937, a record sum is being set aside by the British Government for Royal Air Force development in Hongkong. It is likely that several squadrons of R. A.F. bombers will be stationed in Hongkong. The main R.A. F. station will probably be removed from Kai Tack to Kam Ling, in the New Territories, Kai Tuck Bund being too near the native city and not too suitable for the exercises of the military planes. After the probable withdrawal of the military squadrons from Kai Tack Bund in Kowloon City it is expected that the airdrome will be used for civilian purposes and for R.A.F. seaplanes.

Figures for Royal Air Force expenditure in Hongkong during the next twelve months are not yet available, but it is expected that they will greatly exceed anything hitherto spent on aerial defence in this British Colony in the South.

$40,000,000 Spent on Defence

While the British Government is expected to spend $20,000,000 to strengthen the defence in 1937, a like sum may be spent in the coming year, making a total estimated expenditure of $40,000,000. This huge appropriation is included in the Army Estimates, and is in addition to regular commitments for maintenance of the garrison.

It is said that provision is being made for new military construction works and for an increase in the garrison from the present full brigade of infantry (four battalions) to six battalions. It is probable that the first of the new battalions will arrive early next year.

The present army headquarters in Hongkong, which are housed in portions of the old Murray Barracks are to be removed to a new site at Scandal Point. Provision for an expenditure of $750,000 has been made in the 1937 Estimates for the construction of the new Headquarters. The present Headquarters will be used as accommodation for troops. The camp in Shumchuipo, on the mainland opposite Hongkong, which at present houses the Royal Ulster Rifles and the Royal Welch Fusiliers, is to be closed next year, the land probably reverting to Government. The Fathan Road mule stables in the heart of Kowloon's residental district, are to be removed outside the urban area of Kowloon.

The sum of $20,000,000 has been carmarked for additional quarters for a full brigade of infantry. The four battalions will be housed in the new cantonment on the outskirts of Kowloon, which is the mainland opposite Hongkong. Work on this cantonment is to commence shortly, and approximately $500,000 will be spent on preliminary work this year. The old Military Hospital on Bowen Road, Hongkong, is to be reconstructed and enlarged at a total cost of $1,000,000. The work will commence in the near future.

New barracks at Stanley Peninsula, which is to become a fortified area, will cost $750,000. Preliminary work on this accommodation has already commenced, A total of $1,000,000 is to be spent on defensive works on the mainland opposite Hongkong Island. Most of this money will be spent in constructing new roads, presumably anti-air-craft positions.

The strengthening of the British defence in Hongkong and Singapore recalls the extensive Japanese fortifications built in Formosa, which are being developed as a gigantic base of operations. The whole island has been militarized, as was pointed out in an article by Mr. Wood, a *United Press* staff correspondent some time ago. In Formosa, states Mr. Wood, is being built a system of modern roads to which there has been added double-tracking of railways; a cluster of airdromes capable of accommodating hundreds of aeroplanes, and a new harbor at the southern tip of the Island. Much of the intensive military, naval and aerial development is taking place on the southern tip of the island, the writer states. From this extremity of Formosa to Hongkong it is less than two hours by air and 12 hours by sea.

Formosa is reputed to have a garrison of 25,000 men and a naval strength equal to that of the Second and Tnird Japanese fleets. By way of comparision it is interesting to note that Hongkong has a garrison of approximately 4,000 men and a fleet of less than 25 snips, only six of which are cruisers. The economic and military centre of Formosa has been shifted too and it is found now in the southern end of the island. In other words, Japanese might in the Cnina Seas is being shifted to the closest possible point to Hongkong and the southern provinces of China.

But the *United Press* correspondent says that he does not believe that Japan's southward drive is aimed at Hongkong. He said: "It is being made with the object of gaining possession of Chinese territory of special strategic value. In this connection Fukien, Kwangtung and Kwangsi are the first objectives of the Japanese. But Britain's position in Hongkong would probably become untenable if Japan were to seize either of these provinces."

Cantonese Preparing for War

While we hear more of Kwangtung's economic reconstruction and Canton's municipal improvement than military activities in this southern province, the writer visited Canton recently and at the Yin Tong Military Academy it was seen that on the many vast fields of the Academy hundreds of young Cantonese soldiers were in training under direction of Chinese instructors, many of whom were returned students who had been educated in military schools abroad. Near the Academy parties of these young Cantonese were seen digging trenches which I was told was part of their daily training. A little further away from the Academy hundreds of soldiers were seen doing target practice in the hills.

Further signs that the southerners are expecting war are evidenced by the slogans in public gardens, parks and streets of Canton, where citizens ars warned of the dangers of air raids by enemy airplanes. Some of the slogans read as follows: "Not to get some education on anti-air raids is like placing yourself inside the mouth of a tiger." "Wake up citizens and realize that to strengthen China's national and air defence is the surest way to national salvation." These slogans together with the recent organization of an Anti-Air Raid Association in Canton which disseminates preliminary knowledge against air raids show that the Cantonese are fully aware that a rearmament race is on among Far Eastern countries and that Kwangtung must contribute its full share towards st.engthening the Southwest defence.

Meanwhile much political significance is being attached to the present visit of Lin Sen, President of the National Government Council in Canton and his forthcoming trip to Kwangsi. There can be small doubt that in Kwangsi he will make a sincere effort to improve extisting relations between the Nanking and Kwangsi governments. Nanking's subsidy to Kwangsi to aid in the maintenance of Kwangsi's big army will be discussed. On April 4, he will visit Hongchow in South Hunan and there he will summon a conference with leaders from all South-western Provinces.

Admiral Chen Will Study Progress of British Navy

Admiral Chen Shao-kwan, Minister of the Navy and a member of China's special delegation to the Coronation of King George, interviewed General Chiang Kai-shek at Hangchow this week. Interviewed at Nanking the Admiral stated that in addition to attending the Coronation ceremony, he intended to study the British navy, "whose recent progress and development is worthy of careful study in connection with an improvement in the Chinese Navy."

Britain to Increase Forces in Hongkong and Singapore

The British garrison in Hongkong will be increased by two infantry battalions and several motorized units, according to information made available March 24. An additional battalion of troops will also be sent to Singapore, bringing the total to four. Singapore air forces will likewise be increased.

Britain Said to Be Opposed to Whampoa Harbor Project

The *Sanghai Mainichi*, April 3 said the question of the projected construction of a deep-water harbor at Whampoa was discussed recently between Sir Hughe Knatchbull-Hugesson, British Ambassador to China, and the Kwangtung Provincial authorities during the visit of the former to Canton. Divergent views are said to have emerged when the British envoy was asked to recommend British financial support for the harbor construction in return for an agreement whereby the Canton-Kowloon Railway would be directly linked with the recently-completed Canton-Hankow Railway. Sir Hughe, it is reported, received this proposal coldly. He pointed out that the anti-Japanese movement in China might at some time in the future develop into a movement directed against all the foreign powers having interests in this country, in which event a Chinese harbor at Whampoa would constitute a serious menace to the trade of Hongkong.

The British Ambassador, it was said, feels that it is as yet too early for investment in Hainan Island, for it still requires a detailed investigation of the economic value of this Island with regard to its rubber production and mining. For this reason the views of both the British and Chinese authorities have met with a deadlock.

Building of Whampoa Harbor to Start in May

According to reports received in Nanking from Tseng Yang-pu, mayor of Canton and director of the Whampoa Development Committee, work will be started in May for the building of wharves, godowns, roads and railway in Whampoa. It is expected that this work will be completed in one year at a cost of $10,000,000.

Britain Will Make Investments in Hainan Island Development

An admission that British interests would make capital investments in schemes for the projected development of Hainan Island was forthcoming Mar. 30 from Sir Hughe Knatchbull-Hugesson, British Ambassador to China, in the course of an interview with Chinese press representatives prior to his departure for Macao, according to a Hongkong dispatch in the Shanghai *Nichi-Nichi* Mar. 31.

Defence Cost of Colony of Hongkong Put at $120,000,000

The proposed expenditures for Hongkong's defenses reached the enormous total of $120,000,000, it was disclosed in Hongkong, Apr. 2. There are further plans to build two new forts in addition to the one now under construction on Stanley Peninsula, and to double anti-aircraft defenses.

It is also unofficially confirmed that Hongkong will henceforth be an important Royal Air Force base and observers feel that, unless the powers concerned arrange a non-fortification treaty in the Pacific, Hongkong is destined to become a second Singapore as regards the impregnability of her defenses.

Recent Maneuvers Demonstrate that Hongkong Is Impregnable

The recent maneuvers of British Forces in the Far East involved 30,000 troops, 50 war vessels and over 300 fighting airplanes. The approximate cost was £10,000,000 sterling. The two main stations were Singapore and Hongkong.

The plan of the British Far Eastern Maneuver was built upon supposed concerted attack by an imaginary Power on or bordering the Pacific, without warning, on British possessions in the Far East. The "enemy," represented by "blue" forces, immediately set about cutting off lines of communication between Asia and Europe, severing water route connections between Hongkong and Singapore, thus isolating the two British strongholds. At the same time, a great naval offensive was directed at Singapore from three sides: (1) from a certain island near the Philippines, (2) from the China coast, (3) from the mandate territory on certain islands. British East Borneo and the entire Malay Archipelago receive the impact of this initial naval attack; Penang is also threatened. Reinforcement sent from Hongkong was cut off by the "enemy." Should the Strait Settlements be unable to bear up under the onslaught and fall into the hands of the "enemy," Great Britain's outpost in the Far East would have been occupied; the white man would have to strike his camp and leave Asia for good, for his influence there would have gone forever. Repeated attacks on the part of the "enemy" were as repeatedly and stiffly repulsed. The "enemy" could not but divert his attention to attacking Hongkong. The China coast was under blockake; arms and food supply from Europe and America were cut off; sea routes between Hongkong and Singapore marine-mined. Having isolated Hongkong, the "enemy" directed its main force of attack at the New Territories, aiming at the complete severance of Hongkong from the mainland.

During the maneuvers, some 15-inch guns were brought to play from fortresses at Stonecutter's Island and Pakshawan; a range of over 20 miles distance was reached. In all, over 10,000 artillery and infantry, including 700 volunteers, participated in the defence. According to Lieutenant-General Bartholomew, who commanded the defending forces, the postiton at Hongkong was impregnable for practical purposes.

British Ambassador Entertained at Swatow

The gratitude of the Chinese for British co-operation in stabilizing China's currency was expressed by B. S. Hwong, the Mayor of Swatow, in a speech at a luncheon given in honor of the British Ambassador, Sir Hughe Knatchbull-Hugessen, Mar. 31.

Sir Hughe Montgomery Knatchbull-Hugessen arrived in Foochow April 4 from Amoy. He paid official calls on the local officials and was the guest of honor at a banquet given by General Chen Yi, Chairman of the Fukien Provincial Government.

Commander of Japanese Fleet in South Calls on Fukien Authorities

Admiral Wada of the Japanese Fleet in South China arrived in Foochow Mar. 31. He made calls on several Fukien Provincial authorities before returning to his headquarters.

Three More R. A. F. Squadrons for Singapore

A fourth battalion of troops and at least three more Royal Air Force squadrons are to be stationed in Malaya, an analysis of the British Defence Estimates shows. It is likely that the additional battalion will be stationed at Penang, which is to be strongly fortified. One R.A.F. squadron will also go there.

Japanese to Erect Airdrome on Island Near Fukien Coast

A special Japanese officer attached to the Japanese Air Force was recently sent to the Kingmen Island, opposite Amoy, for the construction of a Japanese airdrome. Survey work has been completed by this officer envoy in Wulipu and Shaner Mountain.

Japanese Arms Need Explained by Ambassador Saito

Japan's rearmament policy, like that of the United States is "one only of defence," the Japanese Ambassador, Hiroshi Saito, declared in an address to the Japan Society at its annual dinner in New York Mar. 30.

Canton Customs Receipts for February Total $3,248,646

The total receipts for the Canton Customs Administration, including the four sub-stations under its control, for the month of February totalled $3,248,646, according to official statistics released Mar. 31. The figures show an increase of more than $400,000 over that of the month of January.

Julean Arnold, American Commercial Attache in China, during his visit to Kwangtung to study economic developments of the province, had a half-hour talk with Tseng Yang-fu, Mayor of Canton, April 1.

Advices from Canton last week stated that a general strike was brewing among business men there as a protest against the enforcement of the new regulations governing business tax.

A movement has been started in Foochow to urge the provincial authorities to reduce the rate of the new business tax in said province.

News Notes from Canton

(*By the Review's Canton Correspondent*)

General Huang Mu-sung, completely recovered from his recent illness, returned to Canton on Monday, Mar. 15 to resume his duties as Provincial Chairman. He had been resting at Tsungfa Hotsprings. The Commander of the French Far East fleet visited military officials on Mar. 17. Generals Yu Han-mow and Huang Mu-sung together with other officers formed the welcoming party.

Middle and primary school students participated in the New Life Movement's Cleanliness Week. Education, Public Health, and New Life officials made inspection tours of the schools where the program was carried out.

The Police Department will sponsor a Safety First campaign beginning on April 11. Movies will be shown in theaters to educate the citizens on traffic dangers. Speeches will be given on air defense. Literature and placards on fire and accident prevention will be generally circulated.

Letters from the Chinese Chamber of Commerce in Cuba have reached the Home Products Promotion Association asking that samples of local products be sent to Cuba for exhibition purposes. Business men believe there is a great potential market for Chinese goods on the Island.

Authorities have proposed a $1,500,000 athletic field to be constructed at Whampoa in commemoration of Marshal Chiang Kai-shek's achievements. Included in the plan are specifications for a race course, two swimming pools, several tennis courts and football fields, an auditorium, offices, and restaurants. It is hoped that the project will be completed for use in the National Athletic meet to be held in 1939.

Tse Chak-man, Director of the Overseas Chinese Affairs Bureau has drawn up plans for an industrial corporation capitalized at from five to ten million dollars by returned Overseas Chinese. The plan, if adopted, will specialize in fisheries, agricultural prolects, mining, reforestation, and irrigation projects.

April 3, 1937.

Japanese Papers See Britain's Growing Influence in China as a "Menace"

Great Britain's growing influence in China, and its "baneful" effects upon Sino-Japanese relations, received editorial attention from the Shanghoi *Nippo* and the Shanghai *Mainichi*, April 2. Both journals agreed that the establishment of rapprochement between China and Japan should precede any accords between China and Great Britain. "Great Britain," declared the *Mainichi*, "achieved success in China by taking advantage of Sino-Japanese friction since the Manchurian Incident of 1931. In this, Britain had abandoned her former passive policy in favor of an amazingly vigorous stand. Great Britain's strengthened her ties with China by joining the League of Nations in giving aid in the development of China's communications and industry. Her most notable successes were the acquisition of a right to build railway trunk lines south of the Yangtsze and the assistance given to China in the currency reforms of 1925."

"Nippo" Denounces Britain's "Monopolistic" Acts

Great Britain's "monopolistic grip" on South China was strongly denounced April 5 by the *Shanghai Nippo* as a "menace" to Oriental peace and to Japan's economic relations with the region. "If the peace of the Orient is to be stabilized," the *Nippo* declared, "the British activities in South China must be immediately checked."

Great Britain, the journal charged, is "attempting to solve various problems by direct negotiations with Nanking, and with complete indifference to Japan's position as the "chief stabilizing force in the Orient." The recent changes in the Central Government's diplomatic machinery and the strengthening of the British influence in the Southwest, the daily asserted, "present a definite menace to peaceful relations between South China and Japan, especially Formosa."

After referring to the frequent visits of high British officials to South China, the daily said the British activities in this country are not confined solely to the sphere of economics. "The assistance given by the British Government to the Nanking regime during last year's revolt in Sian also helped the Britons to tighten their grip on China."

Among the British-backed projects in South China, the *Nippo* said, were the following:

1.—Construction of a railway linking Foochow with Canton.
2.—Construction of a trunk Canton-Kweichow-Yunnan railway and subsidiary lines.
3.—Construction of railways, highways and harbors in Hainan and the development of the island's natural resources.
4.—Construction of a railway between Canton and Whampoa, as an extension of the Canton-Hankow Railway, and the building of a harbor in Whampoa.
5.—Investigation of natural resources in Kwangtung and Kwangsi.

"These importment projects," the *Nippo* declared, "are being carried out with the material and technical assistance of Great Britain. There is no doubt that Britain's monopolistic advance in South China constitutes a distinct threat to the peace of the Orient.

The *Nippo* said that Great Britain's policy in China since the currency reforms of 1935 has aimed at three objectives: 1. Prevention of an Oriental bloc through the stimulation of Sino-Japanese friction; 2. Strengthening of British influence in China at the expense of Japan; 3. Strengthening of British defenses in the Orient. The *Nippo* concluded by denouncing Great Britain's assistance to China as undesirable.

Japanese Paper Suggests that Britain Use Japan as Her Watchdog in China

The *Shanghai Mainichi* commented that Britain "will find it advantageous to draw Japan to her side and make of the latter the watch-dog of her interests in China."

Foreign Minister Sato Suggests that Japan Should Cooperate with Britain in China

A Tokyo dispatch to the *Chicago Tribune* in giving a summary of the inaugural speech by Foreign Minister Sato in the Diet on Mar. 8 brought out the point that Mr. Sato had said: "Recently Japan has clashed with British economic and trade interests in China. I do not believe it is good policy to cause countries possessing interests in China to entertain anxiety. It will be better to cooperate with them and follow a peaceful policy." He added that Japan intends to cooperate with Great Britain in China and stands ready to deal with the Nanking government on a basis of equality.

Japan and Manchukuo to Purchase British Goods in Preference to American or German

Chokuro Kadono, head of the Japanese economic mission to London, has succeeded in persuading all quarters concerned in Japan and in Manchukuo to give preference to British goods before American or German, when their quality and prices are the same, the Tokyo *Chugai Shogyo* reported Mar. 31.

Ministry of Finance Exempts Foreign Rice for Kwangtung from Duty

The Ministry of Finance, in a telegram to the Kwangtung Provincial Government, April 2 authorized the exemption beginning April 1 of foreign rice and grains, totalling two million market piculs each, from the payment of the Customs Import Duty in Kwangtung. The proviso was added, however, that the cereals must be imported into Kwangtung within a period of five months, ending on August 31. This measure was adopted in acoordance with a recent decision of the Executive Yuan, in order to relieve the acute rice shortage in Kwangtung. Detailed measures relating to the apportionment of the imported grains are being devised by the Kwangtung Provincial Committee for the regulation of the food supply of the people.

In explanation of the reasons for the Government's decision to exempt import duties on 2,000,000, Nanking advices point out that cereals and rice imported into Kwangtung under the exemption rule are to be sold only within the borders of the province, and that import duties would have to be made up if transported to other provinces for sale. The Central authorities are of the opinion that an increase in supplies in Kwangtung by the action of exemption of import duties on foreign cereals will assist in stabilizing the market price and relieving the sufferings of the people as a whole. Current criticisms that the exemption of import duties in Kwangtung would seriously affect the livelihood of the farmers were answered by a Nanking spokesman, who pointed out that it was not generally known that due to hoarding by unscruplous merchants the farmers themselves have to buy rice supplies from the market with extraordinarily high prices. Stabilization of price, he said, would indirectly benefit the farmers.

Hunan Governor Opposes Exemption of Tax on Foreign Rice

In view of the fact that the exemption of tax levied on foreign rice imported into Kwangtung might cause a reduction of the price of rice in the country thereby having a bad effect on the development of the rural villages as well as on the rice merchants, Ho Chien, Governor of Hunan, filed a petition with the Central Government April 1 requesting the latter to withdraw the decree ordering the exemption of tax on imported foreign rice into Kwangtung.

Shanghai, Hunan, Hupeh and Kiangsi are leading a bitter fight against the Government's order allowing the free importation of rice into Kwangtung. Two million piculs of foreign rice were imported into Kwangtung recently free of duty as a result of Nanking's decision, and this has thoroughly alarmed rice merchants in the four provinces.

Lo Ching-hui, representing the Shanghai Chamber of Commerce, and Ku Hsun-yi, representing food merchants in Shanghai, proceded to Nanking this week to petition the Executive Yuan and the Ministries of Finance and Industry to rescind the order to allow free importation of foreign rice into Kwantung Province. At the same time, Generals Ho Chien, Huang Shao-hsiung and Hsiung Shih-hui, chairmen of the Hunan, Hupeh and Kiangsi provincial governments respectively, telegraphed to the Executive Yuan opposing the order.

Thirteen representatives of the rice trade from Hankow, Shanghai, Kiukiang, Wuhu, Wusih and Changsha proceeded to Hangchow to seek redress from Gen. Chiang Kai-shek, President of the Executive Yuan. The foodstuff merchants claim that the importation of 2,000,000 metric piculs of duty-free foreign rice into Kwangtung will deprive the native rice of its market and discourage rice merchants from placing orders with rice centers.

500,000 Piculs of Foreign Rice Sent to Canton

Half a million piculs of foreign rice were sent from Hongkong to Canton Mar. 31 in view of the decision of the Central Government to allow the import of 2,000,000 piculs of foreign rice duty free.

Szechwan Authorities Purchase 1,000,000 Piculs of Rice from Wuhu

The Szechwan authorities are planning to purchase 1,000,000 piculs of rice in Wuhu to be transported to Chungking at a cost of $10,000,000.

Sinking Fund to Be Established for Improvement of Rice and Wheat

A set of measures governing the provision of a sinking fund for the promotion of the use of rice and wheat seeds by the National Institute for the Improvement of Rice and Wheat —submitted by Wu Ting-chang, Minister of Industry,—was adopted by the Executive Yuan Mar. 30.

Chen Chieh Says Isis Affair Near Settlement

The problem of the attack on the Isis Theatre by Italian marines is now nearing a settlement, according to Chen Chieh, Vice-Minister of Foreign Affairs, who arrived in Shanghai April 1.

Kwantung Army Has Hopes to End Banditry in Near Future

Complete extermination of organized banditry in the new Empire "within the shortest possible time" was pledged by a spokesman of the Kwantung Army, in Hsinking, April 4. While five years ago, at the time the new State was founded, he declared, there were more than 300,000 bandits in Manchuria, this number has now been reduced to about 10,000. The credit for the success of the anti-bandit campaign, he said, must be given to the joint efforts of the Kwantung Army and the armed forces of the new Empire.

The outlaws, the spokesman asserted, have been so harassed by the punitive expeditions that at present even the strongest bands rarely exceed 200-300 men. The bandits, he said, are strongest in Antung Province, on the Korean border, where there are about 3,000 men, and in Pinkiang and Sankiang Provinces, along the Sungari River, where the combined number reaches 5,000.

Army Communique Announces Death at Hand of "Bandits" of Japanese Captain and 19 Soldiers

The death of Captain Hitoshi Machida and 19 soldiers in clashes with 500 bandits in North Manchukuo on March 27 and 28 was announced by the Tokyo War Office in a communique Mar. 29.

Two Hundred Bandits Raid Town on Sungari and Kidnap Large Number of Residents

Of the many incidents which have lately occupied the attention of the Japanese military authorities in Manchuria the *North China Daily News* correspondent at Harbin relates that the attack by about 200 outlaws on Tungyuan, situated on the Sungari, near the better known town of Chiamussu, stands out prominently. It is reported that 60 to 70 residents of the town were taken captive, among them being about twenty Japanese and three or four Harbin merchants. Machine guns were used by the marauders, the firing being heard some distance away. This attack, following the seizure of a transport on the river and the murder of thirteen Japanese, who were surveying in North Manchukuo, gives the impression that the anti-Japanese detachments are—working more boldly than they have done for many months.

School Building Burned in Bandit Raid at Linkow

Raiding various Japanese institutions at Linkow on the Chiamussu-Tumen Railway, a group of bandits, estimated to be about 60 strong, April 5 set fire to the Japanese school building. The structure was destroyed. Other buildings attacked were the Japanese Consular Police Station and the Japanese Residents' Association.

Hsing Chung Company Sells Manchurian Bean-Cake to Fukien

The Hsing Chung Company, a Sino-Japanese enterprise, has concluded an agreement with the Fukien Provincial Government whereby the latter undertakes to purchase Manchurian beans to the value of $500,000. One-half of this sum will be paid in cash, while the balance will be liquidated at the beginning of next year.

Manchukuo to Have Two New Radio Stations

Two new broadcasting stations, one in Antung and the other in Mutankiang, will be opened before the end of this year, it was announced in Hsinking April 1.

East Hopei Appoints Envoy to Hsinking

The East Hopei Autonomous Anti-Communist Government's first diplomatic envoy, Chiang Tient-to, presented his credentials to Chang Yen-ching, Manchukuo Foreign Minister, at Hsinking Mar. 30. It was a case of one puppet sending its representative to another puppet.

Chinese Communist Leaders Said Sent to Manchuria

According to information received in Changchun Mar. 30, Yang Shang-tze and Chang Shen-chih, two leading members of the Chinese Communist Party, had arrived in the Amur border region to organize a force of anti-Japanese volunteers.

Younger Brother of Puppet Emperor Weds Japanese Woman

Lieut. Pu Chien of the Manchukou Army, little-known younger brother of Emperor Kangte, was married according to Shinto rites in Tokyo April 3 to Miss Hiroko Saga, granddaughter of Marquis Kinkatsu Saga, one-time head of an ancient family of courtiers.

Mukden Becomes Largest City in Manchukuo

With the incorporation of 14 outlying villages within the city limits, Mukden on Mar. 23 became Manchukuo's largest city, with a population of 581,324, settled within an area of 262 square kilometers. The former population of the city was 457,734 persons.

Bank of China to Expand Operations in Manchukuo

With the Government formulating plans for the economic development of the Tungpientao district, on the Manchukuo-Korean border, the Mukden office of the Bank of China has sent special investigators to the region to study the advisability of opening branches there, the *Kokutsu News Agency* reported last week.

Kadono Urges Manchukuo to Buy British Machinery

The *Tokyo Miyako* reports that Chokiuro Kadono, head of the Japanese economic mission to Great Britain and the United States, is urging Government and business circles in Tokyo, to take "concrete measures for the readjustment of trade between Britain, Japan and Manchukuo." As much machinery as possible, he suggests, should be purchased by Manchukuo from Britain.

Japanese Business Leaders Want Manchukuo Tariffs Reduced

Immediate downward revision of Manchukuo's tariffs was asked by Japanese business leaders at Nagoya, April 5 at a joint meeting with a group of 14 Manchurian businessmen, headed by Ting Chine-hsiu, Minister of Industry of the Hsinking Government.

South Manchuria Railway Announces Completion of Hulutao Port

The completion of the port of Hulutao was announced in Changchun, Apr. 6 by the South Manchuuria Railway Company, which had charge of the construction. The new facilities will be opened to shipping within the next few weeks. The construction of the harbor was begun in April, 1936. The new facilities include a breakwater and two long piers, built at the total cost of Yen 16,000,000.

Domei states the new port will facilitate the handling of the Fushun coal and the general development of south-western Manchukuo. The building of the harbor was first undertaken by a Netherlands' firm in 1930, on a contract with Gen. Chang Hsueh-liang. The work was stopped in 1932, with the flight of the "Young Marshal" to Peiping.

Construction of "Fifth Stage" Line of S.M.R. to Start This Year

The Tokyo *Asahi* Mar. 23 stated that the South Manchuria Railway Company is planning to start the construction of the fifth-stage railway line for the purpose of promoting the industrial exploitation in the Tungpien-Tao in line with the fourth-stage line which is to get under way during April. The proposed fifth-stage line will start at Antung, penetrating the Tungpien-Tao through Kwantien, Tunghwa, etc., and extending as far as Pentihu over a total distance of 800 kilometers. The work on the fifth-stage line will be launched as a five-year extension project at a total cost of Yen 80,000,000. The Manchurian Industrial Bank is interested in making a long-term loan to finance this project.

Japanese Fleet Leaves Tsingtao After Short Stay for Maneuvers in Pacific

The visit of seventy Japanese war vessels to Tsingtao last week proved to be very brief. The vessls entered the harbor Mar. 30 during a heavy downpour of rain. The principal social event was a reception given on the night of April 1 by the commanders of the Japanese vessels to Mayor Shen Hung-lieh. The Japanese Admiral at the head of the fleet, in a speech delivered at the reception, urged economic cooperation, Sino-Japanese friendship and mutual toleration. The Admiral and Colonel Wachi, staff officer of the Japanese garrisons in North China, exchanged visits. The fleet departed from Tsingtao April 2 to engage in manuevers in the Pacific.

Labor Disputes in Japan Growing—Bill for 12-Hour Day to Be Introduced

Labor disputes in Japan during the first two months of this year were more than twice as numerous as during January and February, 1926, the Tokyo Home Office reported April 6.

Alarmed by the steady decline in national health, the Home Office has begun the drafting of a labor bill, restricting working hours uniformly to 12 hours a day. At present, numerous plants, especially the smaller ones, have labor hours in excess of 15. Although no recent figures on industrial accidents are available, they are known to be on an increase. A toll of 354 persons killed and 41,549 injured was claimed by industry in 1933. The following year the respective figures jumped to 521 and 56,618.

The 12-hour measure will be introduced at the next session of the Diet.

Ten Shanghai Japanese to Study Conditions in Soviet Russia

A group of about ten Japanese residents in Shanghai will soon form a society for the study of conditions in Soviet Russia, the *Shanghai Mainichi* reported Apr. 6. Included in the group will be officials, military officers, businessmen, journalists, and at least one barber, Sannosuke Otsuka, who had lived in Soviet Russia for many years.

Bank of China Reports Profit of $2,719,579 for Last Year

The annual report of the Bank of China, presented at the meeting of shareholders in Shanghai April 3, by T. V. Soong, chairman, disclosed that a net profit of $2,719,579 had been made during the year. The total deposits of the bank amount to $1,064,271,746.12, an increase of more than two hundred million dollars over the previous year. The new national monetary system has worked more successfully than even its advocates had anticipated, the report stated. Exchange stability, which was the first objective of the new policy, has been maintained throughout the year to a degree previously unknown in China. Agriculture had a good year, it was pointed out, while industry has also continued to move forward.

T. V. Soong

At the annual meeting of the shareholders of the Bank of China held in Shanghai, Apr. 3—12 members of the Board of Directors of the Bank of China, to represent the Private shares, were elected as follows: T. V. Soong, Chairman of the Board of Directors of the Bank of China (re-elected); Chang Kia-ngau, Minister of Railways (re-elected); Dr. H. H. Kung, Minister of Finance (re-elected); Li Ming, General Manager of the Chekiang Industrial Bank (re-elected); Chen Hui-te (K. P. Chen), General Manager of the Shanghai Commerical and Savings Bank (re-elected); Pei Tsu-yee, Manager of the Shanghai branch of the Bank of China (re-elected); Sung Han-chang, General Manager of the Bank of China (re-elected); Hsu Chen-mien (C. M. Shu), Supervisor of the Central Bank of China (re-elected); Chin Kuo-pao, Economic Adviser of the Bank of Communications (newly elected); Feng Keng-kwang, Managing-Director of the Bank of China (re-elected); Chou Tso-min, President of the Kincheng Banking Corporation (re-elected): Pien Shon-sun (Z. C. Bien), Manager of the Tientsin Branch of China (re-elected). The Ministry of Finance appointed the following nine persons to represent the Government shares on the new Board of Directors: Yeh Cho-tang (Yih Chur-tong), General Manager of the Farmers' Bank of China (re-appointed); Wang Pao-lun, Managing-Director of the Bank of China (re-appointed); T. L. Soong, General Manager of the Manufacturers Bank of China (re-appointed); Chien Yung-ming, Assistant General Manager of the Joint Savings Society of the Yien-yieh, Kincheng, Continental and China & South Sea Banks (re-appointed); Wang Hsiao-lai, Chairman of the Shanghai City Chamber of Commerce (newly appointed); Tu Yueh-sheng, President of the Chung Wai Bank (re-appointed); Yung Tsu-hui, member of the Custody Committee for Savings Deposits Security Reserves (newly appointed); and Hsi Te-mou, General Manager of the Banking Department of the Central Bank of China (re-appointed).

Pei Tsu-yee

Sung Han-chang

Bank Assists in Maintaining Exchange Stability

The report of the Bank of China was issued in a brochure of 40 pages.

The report among other things states that in sharing the important responsibilities placed upon the three Government banks in connection with the new currency system, the Bank of China has during the past year assisted in maintaining exchange stability by its market operations, and, in addition, through the medium of its 211 branches and agencies in China, has been able to help materially in carrying out the Government's plans for the nationalization of silver. In the interim period pending the establishment of a central reserve bank the Bank of China has co-operated with the Central Bank of China and the Bank of Communications in carrying out the duties and obligations that will eventually be undertaken by the Central Reserve Bank when it comes into operation. When this transitional period is ended the functions of the leading banks will be more clearly defined, and each should be able to concentrate on a more limited range of financial business according to its charter, with benefit both to the banks and to the commercial community.

As part of the Government's scheme of currency reorganization announced in November, 1935, it was provided that silver in the hands of the public must be exchanged within a limited period of time for the notes issued by the three Government banks, which were given the status of full legal tender, and also that the outstanding notes of other banks should be gradually withdrawn from circulation. During the past year encouraging progress has been made in this direction, and the note circulation of the Bank has increased considerably, from $286,245,042 at the end of 1935 to $465,691,272 on December 31 last.

During the past year, the Bank, in co-operation with other banks, took an active part in financing railway construction. The Chekiang-Kiangsi Railway banking syndicate, of which the Bank of China is the leading member, provided funds not only for the completion of the Nanchang-Pingsiang section of the Railway, but also for the replacement of the lighter rails on the Hangchow-Yushan section with the heavier rails required to secure uniformity throughout the line. The Bank also participated in loans for the construction of the Chengtu-Chungking section of the Szechwan-Kweichow Railway, for the completion of the Shanghai-Hangchow-Ningpo Railway, and for the purchase of improved equipment on the Canton-Hankow line. In addition, the Bank has agreed to help finance the construction of the projected Szechwan-Shensi Railway extending from Chengtu to Sian.

T. V. Soong, member of the Standing Committee of the National Economic Council and member of the Board of Directors of the Bank of China, was re-designated Chairman of the Board by the Ministry of Finance, April 6. Sun Han-chang, member of the Board and incumbent General Manager of the Bank, was again invited by T. V. Soong to serve as General Manager.

Directors for Bank of Communications Named at Annual Meeting

Twelve directors for commercial shares were elected and nine others appointed by the government as directors for government shares were announced at the 26th annual shareholders' general meeting of the Bank of Communications held in Shanghai April 1. The 12 persons elected directors for commercial shares were: Messrs. Hu Chun, Tang Shou-min, Y. M. Chien, Chow Tso-min, Li Ming, Yeh Tung, Wang Cheng-tsu, Sheng Sheng-yi, Chin Ching-fu, Kung Ling-kan, Wu Ta-chuan, and Chen Hui-teh. Those appointed directors representing government shares included Messrs. T. V. Soong, C. T. Wang, Hsi Te-mou, Shen Shu-yu, T. L. Soong, Li Cheng-yi, Yang Hsiao-tien, Jian H. Chen and Singloh Hsu.

C.M.S.N.C. to Return Old Loans to Hongkong and Shanghai Banking Corporation

Prior to his departure for London, Dr. H. H. Kung, in an interview stated that a plan has been worked out by the Ministry of Finance and the Hongkong and Shanghai Banking Corporation for the return of the loans of the China Merchants' Steam Navigation Company to the latter.

Young Brothers Banking Corporation Doubles Capital

The capital of Young Brothers Banking Corporation is being increased from $1,000,000 to $2,000,000, as the result of a recent decision of the new board of directors in Chungking, where the head office is situated. The old Kalee site has been bought by this Bank and a modern building is to be erected to house its Shanghai branch. This Bank with the affiliated business concern Young Brothers Trading Corporation (China's largest tung oil exporting firm) has been prominent in the development of Szechuen Province and is now extending its activities in the Yangtsze Valley generally.

Farmers Bank Removes Its Head Office to Shanghai

To facilitate business transactions, the Farmers Bank of China has decided to remove its head office from Hankow to Shanghai. Hsu Chi-chuang, General Manager of the Farmers' Bank, has been transferred as Assistant Director-General of the Postal Remittances & Savings Banks in Shanghai. The Farmers Bank has recently been active in advancing money for agricultural rehabilitation.

Revolutionary Debts Readjustment Loan to Be Issued May 1

Following the approval of the Central Political Council, the $10,000,000 loan for the readjustment of revolutionary debts will be issued on May 1, it was reported in Nanking, April 5.

Outside Road Blockade by Shanghai Municipal Council Was Motivated by Poverty

BY P. Y. CHIEN

THE recent blockading of a large compound of Chinese houses in Yu Yuan Road by the Shanghai Municipal Council furnishes another example of the Chinese proverb: "The hungry do not choose food."

Perhaps it is not justified to say that the public was not given sufficient warning as to the considered intentions of the Council. On the contrary, we knew well that the S. M. C., driven by proverty and, desperate in its efforts to balance the budget, was liable to resort to any measure that would scrape enough money to pay the high salaries, return passages and exchange compensations, etc., of its high officials, to which they intend tenaciously to cling.

The Council's Considered Intentions

A responsible official of the Council informed the writer several months ago that cutting off of the sewers and drainage pipes connecting the properties concerned with the Municipal sewage and drainage systems in the outside-roads areas, was not the last thing which the Council could do to compel the property owners or tenants to pay Special Rates. He intimated that, as a next step, the Council would set up fences, barricades and other obstacles around the properties in order to prohibit vehicles of all forms from entering or leaving such premises because, in the opinion of the Council officials, such vehicles, as their owners do not pay any tax to the Municipality, must not use the Municipal roads.

The conversation mentioned above took place in the early part of January this year when the writer called on the said official in connection with a more or less similar case of "tax evasion." At that time, Lane 188 Kinnear Road, another Chinese property abutting on a Municipal road built outside the Settlement limits, had been deprived of its sewage connection for a period of more than three months and all flush toilets in the whole terrace were thus rendered out of commission. As time went on, a nauseating and unhealthy situation developed which gradually became intolerable even in cold wintry season. Whether the Council Authorities would let the matter go as it was in summer, while other humanitarian activities of the Council, such as the fly-killing squads, vaccination vans and anti-cholera injections, are going on in the neighborhood, no one could tell. Fortunately, the Kinnear Road case was soon satisfactorily settled, thus saving the Council much labor and expense, as might be necessitated if it were compelled to resort to its prank No. 2.

Council's Attitude in the Past

Refusal of the extra-Settlement residents to pay Special Rates did not become a serious problem until the latter part of 1936 when the Council, after many years of reckless spending in the typical *parvenu* style following the sale of its Electricity Department, suddenly awakened to its impoverished financial state. Before 1936, the Council, though realizing the desirability of having a regular income derived from the extra-Settlement roads areas, never thought of adopting drastic and undignified methods of raising money.

In 1903, for instance, the Council under date of June 4, addressed a circular letter to outside-roads residents in which the Council admitted that the seeking of exemption from Municipal taxation on the part of such residents was evidently a matter of right but suggested that by seeking such exemption, they should provide for themselves the sanitary, protective and other arrangements which within the Settlement were undertaken by the Council. In this way, it was considered that persons whose residences were beyond limits and who made no contribution to Municipal taxation were naturally not entitled to Municipal Police protection and other privileges. Then the Council, in the same letter, after having recognized the necessity of maintaining certain roads for the convenience of the tax-paying community, went on to express its opinion that the most equitable and reasonable solution of this question would be attained "if" residents beyond Settlement limits would contribute their share to Municipal funds in return for which the Council would be prepared to afford such assistance, facilities and public rights as were enjoyed by ratepayers. The said circular then concluded with an "enquiry" as to the willingness of persons addressed to accept the arrangement suggested.

A large portion of the circulars mentioned above were not answered, as was natural in such matters; and, from the varied and qualified character of many of the replies received it became evident that no procedure of general and universal application could be devised. So on August 1 of the same year, the Council issued another circular to outside-roads residents in which the Council went a step further by definitely stating that the Council's Finance Committee had assessed the contribution payable for police services by the occupants of each premises at so much per mensem. The recipients of such circulars were invariably "requested" to inform the Council whether they were willing to pay this contribution in return for the services of the Police. The circular also added that reticence on the part of such residents would be taken to mean that they did not desire to avail themselves of the Municipal Police services by making such contributions. However, the total number of outside-roads residents who accepted this arrangement and availed themselves of the services of the Municipal Police was only forty at the end of that year and the total amount collected from them in 1903 was Taels 576.

Control of Public Utilities

The unsuccessful efforts of the Council in 1903 forced it to adopt more effective measures. So, at a later date, its attention was turned to the using of public utility companies to bring pressure to bear upon the external-road residents who might in some way depend upon the services of such companies. In 1905, the Ratepayers' Annual Meeting approved an agreement between the Council and the Waterworks Company which contained a clause to the effect that the company undertook not to deliver water to any residents outside the Settlement limits unless such residents were paying a special tax in respect to any premises they were occupying.

A provision similar to that contained in the Waterworks agreement was subsequently inserted in the agreements between the Council and the Telephone Company and between the Council's Electricity Department and the consumers outside the Settlement limits; and later, when the Electricity Department was sold, provision was made that a similar clause should be inserted by the Shanghai Power Company in their agreements with outside-roads consumers.

From the above, it can be seen that although through a system of arrangements with public utility companies, the Council had been able to collect a regular revenue from the occupants of outside-roads premises, it never took up a militant attitude nor resorted to retaliatory measures against the residents of the external-roads areas which, whatever right the Council may claim in respect to such roads, must needs remain Chinese-controlled territory and any measure affecting the territorial right of which must be effected through or in conjunction with the Chinese authorities.

As far as the right to travel on Municipal roads is concerned, all pedestrians and car-drivers, if their vehicles are properly licensed, are on an equal footing, no matter whether they live within or without the Settlement limits or came to this town from any other city in this country or from foreign countries, except, of course, when such right is curtailed for emergency purposes in the time of war.

It is true that most of the extra-Settlement residents enjoy an equal amount of protection against crime and fire with those who live in the Settlement, in addition to fresher air and better environments which the latter do not enjoy, and, therefore, should be called upon to contribute towards the funds of the Municipality which renders them such services. But has the Council forgot that all it can do is to persuade them to agree to some arrangement or to bring pressure to bear upon them through public utility companies? To retaliate for their indifference by barricading their entrances and subjecting them to all sorts of inconvenience and dangers is something entirely beyond the proper authority of the Council and against the usual sense of justice of the British people.

Timely Solution Necessary

The land on which extra-Settlement roads were built was mostly acquired at cheap prices from ignorant farmers. Such acquisition of land by a foreign political body is not permitted in any other country and certainly not in present-day China, as otherwise the Shanghai Municipal Council might in time acquire sufficient land to build an extra-Settlement road to Soochow or Nanking and compel all Chinese citizens to pay a Special Tax. Since such land had already been acquired and roads built, timely solution must be sought from the Chinese authorities in order to curtail unnecessary delay and further expenditure, which remains largely unreciprocated.

However, the deadlock that occurred in such negotiation and also the failure to reach an agreement with regard to the question of factory inspection in the Settlement cannot fail to point to the incompetency of the Council as a negotiating party. It is, therefore, high time that the City Government of Shanghai should face the realities by paying less attention to the "face" of the other party.

Shipping and Rail Through Traffic Made Effective April 1

Shipping and rail through traffic between the Shanghai-Nanking, Shanghai-Hangchow-Ningpo and Kiangnan Railways and the China Merchants Steam Navigation Company was formally effected April 1.

Amoy-Manila Shipping Service Inaugurated

The long-heralded China-Philippine shipping service of the China Merchants' Steam Navigation Company was formally inaugurated at Amoy, April 3, when its steamer *Hong Hong* sailed for Manila with more the 100 passengers on board.

Construction of Hunan Auto Factory Completed

Construction work on China's first automobile factory, located in Chuchow, Hunan province, has been completed. The factory, which has a local branch in Nantao, will be able to produce 100 tractors per month.

Executive Yuan Requests Government Offices to Use More Diesel-Engined Autos

In view of the fact that the operating expenses of diesel engine cars are 75 per cent cheaper than those of imported cars using gasoline as the only kind of fuel, the Executive Yuan, in an order issued recently, asked all the Government offices and military headquarters to use as many diesel engine cars as possible. These diesel engine cars are manufactured by the China Motor Car Manufacturing Company.

Kwangtung Rural Cooperative Commission Makes Much Progress Under Direction of D. Y. Lin

The *Canton Gazette* of Mar. 20 stated that since the establishment of the Kwangtung Rural Cooperative Commissions, much progress has been made in the various hsien. According to D. Y. Lin, Secretary-General of the Commission, more than 200 cooperative societies have been organized and registered with the Commission during the last two months, representing a total membership of over 5,000 farmers. The Commission expects that within the next 2 or 3 months several hundred more cooperative societies will be organized expecially in the sugar cane, tobacco, and silk producing districts of the province.

Chinese Tea Trade to United States Drops

Keen competition from Japan, Ceylon, Formosa and Java in the tea market caused a sharp drop in the volume of Chinese black and green brick tea export to the United States during the past year. The figure, according to the Ministry of Industries, stood at only 38,000 cases, a decrease of about 122,000 cases as compared with the average total of 160,000 cases exported to that country annually in recent years.

Price of Tin Soars in Yunnan

Owing to the increasing demanded for tin abroad, the price of the mineral produced in Kehtze, southern Yunnan, has risen from $19,000 (Yunnan currency) per 1,000 catties to an unprecedented level of $22,000 (Yunnan currency).

National Economic Council to Open $10,000,000 Cotton Mill in Shanghai

The National Economic Council has decided to open a large-scale cotton mill in Shanghai. The mill will be capitalized at $10,000,000.

Shensi Troops Plant 30,000 Trees

On April 5, a national holiday devoted to ancestor worship, some 10,000 government soldiers planted 30,000 trees in various parts of Shensi province.

Chinese Great Wall Coal Mine Reorganized Into Sino-Japanese Concern

The *Shun Pao* says that with the reorganization of the Great Wall Coal Mining Administration into a Sino-Japanese concern, known as the Oriental Development Mining and Railway Corporation, it is expected that the mine will produce 300,000 tons of coal every year. A railway will be built by the company to connect the mine with Chinwangtao, a distance of 18 kilometers.

Party from Sian Inspects Engineering Work on Wei Irrigation Canal

In response to the invitation of the Shensi Water Conservancy Bureau, more than 100 representatives of various organs in Sian, in Apr. 5, left for Meihsien, south-western Shensi, via the Lung-Hai Railway to inspect the engineering work on the Wei Irrigation Canal. They were accompanied by Sun Shao-tsung, Chief Engineer of the Canal.

Kwangtung Appropriates Five Million Dollars for Highway Construction

Five million dollars will be appropriated by the Kwangtung provincial department of reconstruction to complete the projected highway network in the province.

New Locomotives for N.-S. & S.-H.-N. Lines

The Ministry of Railways has decided to order 22 new locomotives from abroad for service on the Nanking-Shanghai and the Shanghai-Hangchow-Ningpo Railways, lines. Of the total number, twelve will be for passenger cars and ten for freight cars.

Railway Conference Assembles at Nanking to Discuss "New Life" Enforcement

Representatives of eleven railway administrations together with delegates from the New Life Associations of the respective lines assembled at the Ministry of Railways in Nanking April 5 for a two-day conference to discuss practical measures for the enforcement of the New Life Movement in districts along the railways. The inaugural meeting was featured by two speeches given by Col. J. L. Huang and Paul Yen, respectively Secretary-General and Deputy Secretary-General of the Association.

Nanking-Kunming Motor Caravan Includes Many Notable Officials

The Nanking-Kunming Motor Caravan, sponsored by the Executive Yuan, departed from Nanking, April 5 as scheduled. The Caravan is composed of 17 buses, including one operated by wood oil, and another by coal gas built by the National Communications Committee, a new invention of the China Motor Company. Mayor Ma Chao-chun, and representatives of various local governments and and private organizations, gave the caravan a rousing send-off.

Delegated by various Government organs, commercial bodies, academic institutions and newspapers, 160 members are taking the trip, including persons in many walks of life, economists, geologists, engineers, journalists, army officers, highway experts, bankers, etc.

Dr. Chu Min-yi, former secretary-general of the Executive Yuan, Dr. Wu Lien-teh, director of the National Quarantine Service, Messrs. Wei Ting-sheng, and Chan Hsi-man, members of the Legislative Yuan, Chang Shih-liu, chief engineer of the China Motor Company, Liu Wei-ling, secretary of the Legislative Yuan, Mr. Wei Chien, Councillor of the Executive Yuan, and Hsiao Ching-yun, director of the Kiangsi Highway Bureau, are members of the party.

Ewo Mills Chairman Says China Now Second Largest Importer of Wool Tops from Britain

W. J. Keswick, chairman presiding at the sixteenth ordinary meeting of Ewo Mills, Ltd. in Shanghai Mar. 31 stated that China is now the second largest importer of wool tops from Britain, having imported during 1936 no less than 10,000,000 lbs. Canada heads the list with 10,963,000 lbs.

How rapidly the woollen industry has developed in this country will be realized, said Mr. Keswick, by looking at the figures for the past few years. In 1933, China's imports of wool tops were nil; in 1934 they were 3,252,000 lbs.; in 1935 they had risen to 4,865,000 lbs. and therefore, at 10,000,000 lb., they have been more than doubled during the year under review. Mr. Keswick incidentally mentioned that the Company's worsted plant had been increased by 20 looms and 1,500 spindles. The 1936 cotton crop in China, he added, was the best and biggest on record.

The Company paid a dividend of eight and-a-half percent.

Chartered Bank Head Criticizes Chinese Government's Monopoly Program

A warning of the danger to China of state monopolies was voiced by Arthur d'Anyers Willis, the chairman, at the annual meeting of the Chartered Bank in London April 1. After congratulating China on the success of her managed currency system and the growing demand of Chinese products abroad consequent on an encouraging change in China's prospects, Mr. Willis said the Chinese authorities "may, before long, realise the fallacies of arguments for state control of industry." "The Chinese," he added, "are a hard-working race, placing great reliance on individual effort and reward. Their social organization rests on the family system. These inborn traits clash with the ideas of state-managed industries and indicate that more efficient management and better results are more likely to be obtained by private enterprise."

1,800 Cadets from Honan Arrive in Nanking to Take Special Training

Led by Lieut.-General Chu Shao-chou, Director of the Loyang branch of the Central Military Academy, 1,800 cadets of the 5th Class of the Military Officers Corps of the Loyang branch arrived in Nanking Mar. 30 from Loyang, western Honan, to undergo special training at the Capital and at Hangchow for two weeks. They were entertained by officials of the Military Officers' Moral Endeavor Association.

Island Empire in Throes of Heated Election Contest

As the result of the dissolution of the Japanese Diet by an Imperial Rescript Mar. 31, the Island Empire has been plunged into another major political crisis. General elections have been announced for April 30. The dissolution of the Diet came 12 hours before it would have adjourned in due course. Premier Hayashi stated that he sought the dissolution of the Diet to "preserve principles infinitely more important than the few bills we had to sacrifice."

Premier Hayashi, having nearly completed a "purge" of the Army, is now commencing a similar "purge" of the parties, according to an explanation of the Premier's action in dissovling the Diet Mar. 31 made by Gen. Hayashi's closs subordinates.

Keisuke Mochizuki, leader of the minor Showakai Party and a minister of state of two previous occasions, loomed during the week as one of the "coming men" of Japanese politics.

Tokyo Press Fears Major Political Crisis

Fears that the forthcoming elections would mark a turning point in Japanese politics were freely expressed by the Tokyo press April 2. All the newspapers agreed that the major political parties were facing the most serious crisis in their history, mainly as a result of the projected formation of a new political organization by the Government. The *Nichi-Nichi* said that "the political parties, which passed the budget bills as desired by the Government, are now being roasted like hunting dogs which succeeded in catching game." This anomaly, declared this prominent daily, is incomprehensible to the political parties, although the Government possibly might have had a good reason for the action.

The fact that instead of the War Office, the Navy Office has been largely responsible for Premier Hayashi's decision to dissolve the House puzzled many observers. The explanation was advanced, however, that the Navy probably did not care very much for the Diet, but only wished to preserve it until the estimates for the fighting services are passed. With the adoption of the budget, the Diet had served its purpose and therefore its death knell was sounded.

Discussing the dissolution of the Japanese Parliament, Moscow *Izvestia* April 1 wrote:—"Gen. Hayashi's Government and the War Ministry ruling it were reconciled with that sharp criticism which was levelled against them in Parliament only until the budget for the next fiscal year was passed. Even under the unheard-of police terror, under the utilization of the entire powerful machinery of repressions and corruption, the possibility is not excluded that the stormy anti-war and anti-Fascist tendencies of the masses will find in the Parliamentary elections some kind of reflection."

Minseito Men Want Co-operation with Seiyukai

Alarmed by the Government's reported preparations for the creation of a new powerful political party, a strong faction within the Minseito Party April 4 began to advocate a defensive alliance with the Seiyukai.

Marking a new chapter in Japan's political history, the leaders of the two major parties, the Minseito and the Seiyukai, April 5 continued informal negotiations for the formation of a joint anti-Government front.

Osaka Police Seize New Head of Pseudo-Religious Cult

Dealing another heavy blow to the Hito-no-michi pseudo-religious cult, which claims a million followers throughout Japan, the Osaka police April 5 arrested its new chief abbot, Tokuchika Miki, 37. Also seized in a series of raids in the city were more than ten leading members of the cult. The detention of Tokuichi Miki was ordered by high officials of the prefectural police on the filing of a complaint by an unnamed woman, accusing him of criminally attacking her during a "religious" ceremony. Lese majeste charges have been brought on the ground that the cult made indiscriminate use of the chrysanthemum and paulownia emblems, crests of the Imperial House, on the amulets distributed to believers donating more than Yen 30. The boxes containing the amulets were also embossed with a replica of the Imperial crest.

Special Decree to Exempt Iron from Import Duty

An emergency Imperial ordinance, exempting iron from import duty for two years, will be issued on April 10.

Chuji Machida, leader of the Minseito, the largest political party, in Japan, April 5 denounced the Government for its alleged unconstitutional way in dealing with the Diet. He added, however, that he saw a redeeming feature in the reported assistance the Premier intends to extend to the organization of a new political party. Mr. Machida expressed the confident hope that the Minseito would win an absolute majority in the election, declaring that the Government must abide by the judgment of the nation.

Diet May Again Be Dissolved

Predictions that the Government will not hesitate to dissolve the new Diet if it fails to gain popular support in the forthcoming elections or if the major parties fail to understand the existing situation, were freely made by informed observers in Tokyo, April 3.

Electioneering by Mail Becomes Expensive in Japan

With the raising of postal rates April 1, elections in Japan have become a luxury. Officials of the proletarian Social Masses Party stated that in seeking 50 seats in the next House they would be forced to dispense entirely with political proselyting by means of letters, owing to the high cost.

"Yomiuri" Comments on Military Secrets Preservation Bill in Diet

The *Tokyo Yomiuri* Mar. 28 commented on the introduction of the Military Secrets Preservation Bill to the Diet, that nobody objects to having a spy or national traitor severely punished as in olden times spies were punished by being beheaded, but the question nevertheless arises: How is the bill, when made into law, to be enforced?

Imports from Japan to Shanghai Show Great Increase

Japanese goods imported to China through the port of Shanghai totalled 135,040 tons for the quarter ending Mar. 31, 1937, as compared with 81,200 tons for the corresponding quarter of last year, an increase of 70 per cent.

Japanese Finance Minister Yuki States Trade Control Is Needed

Both incoming and outgoing commerce will have to be controlled if Japan's foreign trade is to be further developed, Toyotaro Yuki, Finance Minister, stated at Nagoya, April 5 addressing a convention of the Japanese Chambers of Commerce and Industry in the Pan-Pacific Exhibition grounds.

Japanese Government Gives Huge Subsidy for Oil Production Development in North Saghalien

With a view to encouraging the exploitation of oil fields in North Saghalien, the Japanese Government has appropriated a total subsidy of Yen 12,840,000 for the period of five years, 1937-1941. A supplementary budget involving Yen 5,000,000 to be used as guarantee of the debentures of the North Saghalien Oil Company was also presented to the present session of the Diet for approval.

Japan to Continue Gold Shipments So as to Maintain Exchange Rate

A recommendation that Japan should continue to maintain the present yen exchange value at one shilling two pence, made Toyotaro Yuki, Finance Minister, was adopted by the Cabinet sitting in an emergency session in Tokyo April 3. Japan will continue to ship gold abroad to maintain this rate.

Japanese Cruiser Sails to Take Part in Coronation in London

Flying the flag of Rear-Admiral Sonosuke Kobayashi, the 10,000-ton cruiser *Ashigara* sailed from Yokosuka, April 3, for Portsmouth to take part in the Coronation Naval Review off Spithead on May 20.

Japanese Admiral to Tour South Seas to Explain Policy of Island Empire

It was announced in Tokyo on April 5 that Admiral Seizo Kobayashi, Governor-General of Formosa, will in July embark on a two-months tour of the Philippines, Hongkong, Malaya and the Netherlands East Indies. The Admiral's main task, it was revealed, will be to reassure the governments of these countries regarding the significance of Japan's policy of Southward expansion. During his journey, Admiral Kobayashi is scheduled to confer with Sir Andrew Caldecott, Governor of Hongkong; Sir Shenton Thomas, Governor of the Straits Settlements; Dr. B. C. de Jonge, Governor-General of the N.E.I., and Senor Manuel Quezon, President of the Philippines. The trip is being held under the joint auspices of the Gaimusho and the Ministry of Overseas Affairs.

Former Japanese Minister Strikes Former Ambassador

A sensation was caused in Tokyo Mar. 31 when Toshio Shiratori, former Foreign Office spokesman and former Japanese Minister to Sweden, struck the former Ambassador to Berlin, Torikichi Obata, with the elbow rest of a chair during a banquet in a Japanese restaurant given by Tokichi Tanaka, former Japanese Ambassador to Moscow.

Americans Visit Japan in Increasing Numbers

Although the total number of foreign visitors to Japan during 1936 showed a shrinkage of 61 from the previous year, the American element increased by 544. Consequently, it is expected by the bureau of tourist industry of the Tokyo Railway Ministry that the amount of money spent last year will exceed the total for 1935. The augmented American contingent was matched by a notable decline in tourists. The total for last year was matched by a notable decline in Chinese.

Nazi-Nippon Alliance Most Dangerous Threat to China's Sovereignty

BY M. G. SHIPPE

ADMIRAL Bauer in the Berlin *Militaerwissenschaftliche Rundschau*, No. 3 of 1936, explained the mutual advantages for Germany and Japan in case of an alliance or at least a neutrality agreement between the two Powers (written before the conclusion of the German-Japanese alliance agreement.) Such an accord prior to 1914, as Admiral Bauer stated, would have terrified Russia and probably prevented her participation in the war, Admiral Bauer declared. "Japan, on her side, whose aims in Eastern Asia could be pursued only in contradiction to the Anglo-Saxon Powers, would find no better ally than the German navy, which proved to be able to hold the whole British naval power in the North-Sea and thus keep the British navy from a decision in the Far East."

The present German-Japanese accord is therefore a direct alliance of the two most dangerous and aggresive Powers aiming at re-division of the world, Germany's part in it being a straight continuation of the pre-war oversea imperialist policy pushed by the same interests of Germany's war industries and her giant electricity and dye trusts. In concluding this "Anti-Communist" alliance Germany and Japan advertised to the whole world that they are both preparing for an international war. In fact, the real scope of this war plot is all the greater as it constitutes a rallying point for the forces of war and aggression on two strategic gateways into the colonial empires and spheres of economic influence of Great Britain, France and the Netherlands. Germany's entrenchment in Spain and Spanish Morocco in combination with the economic expansion in the Near East and her policy for military domination over the whole of Central Europe, as well as her close collaboration with Italy has for its aim to create Nazi strongholds at the back of France and along the Mediterranean flank of the British Empire. The Japanese policy of territorial expansion on the Asiatic Continent, for domination over China and control of the Eastern Pacific is a move on the part of Nazi Germany's ally pointing in the same direction. It is easy to realize what would be the final fate of China if she would listen to the "friendly" overtures made to her by both Japan and Germany, instead of preparing for strongest national and international defence against the most menacing attack on China's national existence. In the whole history of foreign aggression on China there have been few plots so menacing the very existence of this nation as the present Nazi-Nippon alliance. The Anglo-Japanese alliance was certainly detrimental to this country as it implied the division of China into spheres of influence among the allied Powers. However, the present Nazi-Nippon alliance was in fact concluded on the basis of recognition of Japanese predominance over the whole Far East, while granting and promising to Germany certain trade privileges in Manchukuo and colonized China, in addition to the future aspect of securing new German colonies in South-eastern Asia at the direct expense of Great Britain and the Netherlands. The Japanese consent to German overseas expansion plans and the collaboration of the allied Powers in order to help each other in realizing their aggressive policies implies Germany's consent to Japanese conquest of China and the close collaboration of both Japan and Germany in the Far East. This is the real scope of the Nazi-Nippon alliance which had to be disguised and hidden from the public in order to deceive China and prevent her from realizing that the fulfillment of the actual aims of the Nazi-Nippon alliance is incompatible with any other existence of China except that of a Japanese colony or, as the Japanese military call it, a "perfect harmony among Japan, Manchukuo and China."

Another aspect of the Nazi-Nippon alliance is the closest collaboration of German war industries in the mechanization of the Japanese military forces. The enterprises of Krupp, Otto Wolff, etc., need ever-expanding markets as well as special regions with raw materials, hence, Hitler's policy is to open forcibly the gates of the world for those armament houses. Nazi Germany is at present the chief supplier of the Spanish rebels for ammunition and airplanes, with officers, mercenaries and pilots to operate them. Her alliance for completing Japan's war machinery is but another deal for preventing international limitation of war armaments and securing ever increasing profits for the Krupps. It was Alfred Krupp, the founder of the present Krupp enterprise, who was once censured by King Wilhelm of Prussia for supplying war materials to the enemy. The reply was: "From Prussia alone we cannot make our living"! Today, however, neither Krupp nor Hitler have reason to complain as Germany's chief production as well as consumption are war materials. Thanks to the Nazi policy, the Krupps find ever-expanding markets in Spain, the Danubian countries and in the Balkans, in Turkey and in the Far East. In Spain Krupp has huge investments in the Orconera Iron Company of Bilbao, steel-works at Miers, a big machine factory at Barcelona, a wharf at Cadiz and the Levante Steamship Union, while the ores of all mines in Spanish Morocco and Rio Tinto, since the occupation of this territory by General Franco, have been transported to Germany in spite of delivery contracts with British interests and previous British investments.

It is well known that the same German interests are very active in the Chinese market and have been especially favored by huge direct deals with Chinese Government enterprises. The London *Financial News* reported in a recent article: "In the present year (1936) British imports into China will hardly surpass the $100,000,000 mark, while, on the basis of the figures for the first ten months of 1936, Germany will have sold fully $150,000,000 worth of her goods."

Only recently a $40,000,000 loan agreement was concluded between the Chinese Railway Ministry and a German group headed by Otto Wolff, the industrial magnate of Cologne, and including the German concerns of Krupp, Ferrostahl and Stahlunion, for construction of the Hunan-Kweichow Railway and reconstruction of the Huang-Ho bridge on the Peiping Hankow Railway. This agreement is the second German investment in the same region of railway construction connected with the projected South-western Trunk Line, the first being for construction of the Yushan-Nanchang Railway with materials supplied by Otto Wolff. These deals were concluded with the same steel and ammunition enterprises which were so actively behind the Nazi accord with Japan providing for German co-operation in the mechanization plan of the Japanese military forces. These German investments in Chinese railway construction within a special sphere of Central and South-west China have a definite political significance, as they were concluded in spite of Germany's alliance with Japan, her zeal for colonies combined with her growing rivalry against Great Britain and her hostility against the U.S.S.R. Such German investments in Chinese railway construction would naturally have a weakening effect on Britain's position against Japan because an increase for Germany at the direct expense of the British would only strengthen Japan's position in the Far East and encourage Japan to new attacks on China.

Germany and Soviets Draw Closer Together?

A *Havas* message from Warsaw, April 4, stated that recent developments in that city had given rise to the impression that the present bitter antagonism between Germany and the Soviet Union may shortly give place to active collaboration between these two countries. Startling as such an about-face would be, political circles in Poland are watching the situation closely, especially since the effects of such co-operation would be greatly feared in said country. Rightist circles in Poland in commenting on such an entente, declare that psychological factors are bringing the two countries closer together. They refer especially to the joint condemnation by the Vatican of Bolshevism and Nazism. They also point to the recent reconciliation of Reichsfuehrer Adolf Hitler and General Staff. The latter, they point out, is a partisan of a Reich-Soviet alliance.

Nazi Propaganda in U. S. to Be Investigated?

The House Committee on Rules, April 1, gave its approval to the resolution submitted to Congress by Samuel Dickstein, Chairman of the Committee on Immigration, urging the necessity of parliamentary investigation into Nazi propaganda activities in United States territory, allegedly directed against the American Government.

Nazis Enforce Ban on Jesuit Schools

The conflict between German Catholics and the Nazi authorities was carried a stage further Mar. 30 when two Jesuit schools in Berlin, it was revealed, were forbidden to receive new enrollments for the primary grades while the higher grades were to be transferred immediately to the regular public, non-denominational schools.

H. E. Arnhold Defends Council in Speech Before Chartered Accountants

Speaking at the annual meeting of the Society of Chartered Accountants in China at the Shanghai Club April 2, H. E. Arnhold, Chairman of the Shanghai Municipal Council, among other things, said that if one were to believe all that had appeared in print during the past two years, the present Council and its immediate predecessors ought to be a lot of nincompoops who, in the opinion of one self-appointed critic, are merely phantoms haunting the corridors of the Administration Building on the few occasions when they are released from their normal occupations. He explained that he did not need to assure his hearers that that is a mere hallucination and then went on to give illustrations of work accomplished by the Council.

The China Press referred to Mr. Arnhold's speech as "letting off steam."

Apathy: A Serious Chinese Weakness

BY T. S. YOUNG

A FEW days ago, there appeared in a local foreign daily the following report: "An European lady was walking on the pavement on the north side of Bubbling Well Road at about 6.45 p.m. last night, when a Chinese attempted to snatch her bag. She held it tightly, and the culprit made a second attempt with greater force. In the struggle, both the victim and the snatcher fell to the ground. The latter escaped without the bag, but the lady was painfully injured. The incident was witnessed by a group of pedestrians and shop assistants, but none responded to her cry for help, despite the fact that the Settlement authorities have been awarding $5.00 to $15.00 to any one who helps the police in the rescue of a bag-snatching victim."

Such an incident is almost of daily occurrence in Shanghai. I am not at all surprised at the prevalence and activities of the bag-snatchers, who should be so daring as to prey upon a foreign lady in the eyes of the public; but what arouses my feeling is the apathy on the part of the pedestrians and shop assistants, who could amuse themselves in watching the distress of a foreign lady without rendering any assistance. It is purely unthinkable that such an incident could occur in big cities in America and Europe, where the bag-snatchers may be as many as in Shanghai, but the pedestrians and shop assistants would not be so apathetic as to permit women and girls walking in the streets to be molested in any way by the public enemies.

I am not ashamed to say that apathy is one of our many weaknesses, a weakness which has often been interpreted as a symptom of acute self-interestedness or that of extreme cowardice by our foreign friends. To be sure, the nationality of the victim in question had nothing to do with the apathetic attitude on the part of these disinterested spectators. Had she been a woman of their own nationality and color, they would have watched the struggle with the same disinterestedness. They simply can not work up their feelings and give a faint show of their gallantry, unless the lives of their own dear ones are endangered.

We, however, are great worshippers of chevaliers and heroes. We love to read the novels relating the chivalrous and heroic deeds done by men and women at the great risk of their personal lives. We love to listen to the stories vividly described by story-tellers regarding the lives and vicissitudes of heroes and heroines, real or fictitious. And we also love to see the theatrical performances having a plot woven round our great heroes or heroines in the past. While a great majority of our people can neither read nor write, and are totally unacquainted with the names of our many noted scholars and are philosophers, they, nevertheless, from what they have heard from story-tellers and what they have seen from the stages, can quote outright a score of the names of our heroes and heroines, and talk intelligently of their chivalrous and heroic deeds. Wu Song, one of the many heroes related in the Sai Huei Chuan, who gained great fame by removing a public menace in the killing of a fierce tiger with his fists, is decidedly more popular than Confucius with our people in the street.

In speaking of the Sai Huei Chuan, or "All Men Are Brothers" as termed by Pearl Buck in her translations, I must add that it has been one of our best known novels for many centuries. We love to read that novel, not because of the beauty of its style or the intricacy of its plot, but because of the many chivalrous and heroic deeds done by its one hundred and eight heroes and heroines. They were, so to speak, dare devils, men and women of courage and intrepidity, and self-appointed protectors of the poor and oppressed. They deplored the corruption of the government, the oppression of the officials and the injustice of the judges. Thus they took the law into their own hands, robbed the rich so as to relieve the poor, fought for justice and fair play even to the extent of murdering and killing the corrupt and avaricious officials, and ignored totally the dire consequences of their acts. When finally prizes were placed upon their heads, they had no alternative but to flock to the Liang Shan to lead a bandit life. We, however, do not condemn them as bandits, but worship them as our heroes and heroines and hold them in our great esteem and admiration, although we can not tell ourselves whether there were really such beings, or whether they were merely figures created by the author of that great novel for the public admiration.

Generally, we have always spoken of "Men of Forest" with mixed feelings of abhorrence and admiration. We abhor their lawless activities and their high-handed measures in redressing their own wrongs or the wrongs of other people, but we, meantime, admire their bravery and courage, with which they would defy personal dangers so as to assists the poor and oppressed people. Since they take a great delight in "removing the oppressors and comforting the oppressed," and giving a helping hand to any one in distress, they are always on the alert to meddle with other's affairs, and fight on behalf of the wronged persons. In doing so, they neglect their own hardship and bear the consequence without complaints. When they need money, they rob the people; but they do it in a way vastly different from that of the corrupt officials: The former choose their victims among the unworthy rich and share their spoils with the poor, while the latter rob both the rich and the poor for their own pockets.

While we consider chivalry and heroism as being two very noble qualities, we, however, do not at all aspire to acquire such qualities ourselves. We take pains to pose as moralists, philanthropists or scholars; but we do not pretend to be heroes or heroines. In our daily life, we engross our attention so much with our own interests, that we can not turn our thoughts to the welfare of our neighbors. We shut our ears to the appeals and cries for help and close our eyes to the sufferings of the millions surrounding us. We assume an attitude of indifference and aloofness towards our fellow human beings, for we have a great faith in the wisdom of our old saying, "Let each one sweep the snow off his own door steps, but bother not about the frost on other's roofs," and act upon it in close conformity with its letters and its spirit.

When young d'Artagnan set forward on his first journey, his father gave him three gifts in addition to the following counsels: ". . . . Never fear quarrels, but seek adventures. I have taught you how to handle a sword; you have thews of iron, a wrist of steel. Fight on all occasions. Fight the more for duels being forbidden; since, consequently, there is twice as much courage in fighting." When a young Chinese leaves his parental roof, his father would advise him along the following lines: "Do not seek quarrels with anybody. Do no meddle with other's affairs. You will find your hands full of troubles, if you bother yourself about other's affairs. All the smart fellows know how to avoid the trouble, and only the very foolish ones will court it and bear its dire consequences. Therefore, mind your own business always and all times."

We hold that advice as a cardinal principle in our dealings with out fellow human beings. Thus, when a fire breaks out, our people just stand at the vantage point to watch the fire with composure and ease, and do not venture to volunteer their assistance, unless and until their own house is endangered. When a person falls into a river and is on the point of being drowned, he has a very slim chance of being rescued; for though there may be many good swimmers along the many spectators standing along both banks, they will not bother themselves about other's affairs, unless an attractive reward can be offered to overcome their apathetic attitude. Again, when a fight occurs in a street, our people just watch the fight at close quarters as if it were a sort of contest, and leave the fighters to spend the last ounce of their strength in the prolonged struggle.

Likewise, when we see a pickpocket try his art on a fellow passenger in a street car, we just hold our own pockets tight and turn our eyes to the other directions. And when a burglar breaks into the house of our neighbor, we hasten to close our doors and keep our mouths shut as if nothing had happened. As a rule, we hate to be called on to serve as witnesses, for why should we bother ourselves about other's affairs? I have always wondered whether we can find any public-spirited men or women to serve on juries, should the jury system be introduced into our country.

Therefore it is no wonder that the pedestrians and shop assistants should be so apathetic as to leave a foreign lady to be molested by a bag-snatcher under their very nose. They simply act upon the principle of "Mind your own business." They must be all smart fellows, and as such, they are too wise to risk their fair skin to meddle with other's affairs. They, of course, would not be so apathetic, if the rewards offered by the Settlement authorities are ten times as much. For who can think of risking his fair skin and possibly his dear life for merely winning a paltry sum of $5.00 to $15.00?

To say that all of our people are apathetic is not correct, for we have very often found both in North China and in South China many persons who are as chivalrous and brave as any other people in the world. But it may not be far wrong to say that the majority of our people, especially those in this part of China, are apathetic. Besides, the wealthier the persons are, the more apathetic they usually become. This accounts for the reason why in case of flood and famine, we find it difficult to raise relief funds among the rich people; for in philanthropy as in many things else, they also ask themselves why they should bother about other's affairs.

Chinese Canned Ham Is Forbidden Entry into the United States

As is well known, huge quantities of casings (intestines) are shipped from China to the United States, where they are used in the manufacture of various kinds of sausages, principally "hot dogs." Recently several Chinese firms sent some samples of Chinese ham in tin-cans to America with a view of building up a business. These samples, however, did not come up to the inspection standards used in the United States and the import of such canned ham into the country has, therefore, been forbidden. There has been no ban on casings. The Commodities Testing Bureau in Shanghai is now taking steps to bring the inspection of Chinese meat products up to American standards so that trade may be built up in said line.

Shoji Heads Committee to Study U.S.-Japan Cotton Problems

O. Shoji, chairman of the Dai Nippon Cotton Textile Association and a member of the Japanese Economic Mission to China, was named at Osaka April 1 as one of the five members of a joint committee on American-Japanese cotton industry problems. The creation of the body was agreed upon during the visit to Osaka, earlier this year, of a delegation of leading textile manufacturers in the United States. The committee will deal with problems affecting the relations between the textile industries of the two nations.

Japanese Cotton Mills Owners' Association Organized in Tientsin

The Tientsin branch office of the Japanese Cotton Mill Owners' Association was formally inaugurated in Tientsin April 1. According to Japanese reports, 12 Japanese cotton mills have registered with this Association. It is further reported that the total capital of the Japanese cotton mills in Tientsin amounts to $50,000,000. In addition to the above Japanese cotton mills in Tsingtao have another total capital of $50,000,000.

Growing of American Cotton in North China Shows Steady Increase

Figures released by the Cotton Control Commission of the National Economic Council, show a steady increase in the acreage of fields for growing American cotton in the provinces of Shensi, Honan, Hupeh and Shansi during the past four years. There were 570,200 mow of cotton fields in 1934, 1,288,454 mow in 1935, and 2,676,025 mow in 1936. The organization of cotton cooperatives in also proceeding apace in the aforesaid provinces. In 1935 the number of cotton co-operative societies was 75 with a total membership of 53,059. During 1936 the number of societies in Hopei alone reached 700.

China Represented at Washington Textile Conference by Embassy Counsellor

China is represented at the Washington (D.C.) Textile Conference by the Counsellor of the Chinese Embassy there, Zaung Teh-ing; Nieh Kan-yo on behalf of the employers, and the chairman of the Shanghai General Labor Union, Chu Hsueh-fan, on behalf of the workers. The 200 delegates and advisers representing 23 nations, are attending the Conference, which is being held under the auspices of the International Labor Office, to discuss the reduction of hours of labor to 40 a week and means of increasing consumption of textiles throughout the world. Among the nations represented are Great Britain, America, Canada, France, India, China and Japan.

United States to Send Economic Mission to China in Near Future

The Ministry of Foreign Affairs has received a telegram from the United States Government announcing the intention of the latter to despatch an economic mission to China in the near future. The mission, which is to consist of representatives of America's leading export banks, will investigate financial and economic conditions in this country. The *Shanghai Nippo* April 4 stated that the mission is being sent here as a result of China's declarations to the effect that foreign capital investments would be welcomed.

Chinese Request Foreigners to Oppose Increased Tax Rate

The foreign ratepayers of the International Settlement were urged to veto the proposed two per cent increase in municipal taxes, at the annual ratepayers meeting, in an official communique issued by the First Special District People's Association, April 6. The fear was expressed that should this proposal be adopted at the ratepayers general meeting the Chinese groups opposed to the proposal may be driven to extremes and something serious may happen.

Shanghai Water Works Pays Part of Dividends Out of Equalization Funds

At the annual meeting of shareholders of the Shanghai Water Works Company, Ltd., held April 1, H. Martin Little, chairman, declared that the net profit for the year had been $1,579,193.35 Although the profits were not unsatisfactory, he said the total sum was $269,211.55 short of the amount required to meet all the dividends. However, by a transfer from the equalization funds, the dividends would be paid. Revenue, it was pointed out, had decreased from the previous year, owing to the increased rebate of 25 per cent in force during the whole of 1936, a decrease in domestic consumption and reduction in rates to domestic consumers consequent on a downard revision of house assessments by the Shanghai Municipal Council.

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Japanese Garrison to Control All Japanese Economic Activities in North China

All Japanese economic activities in North China will henceforth come under the direct control of the Japanese garrsion in Tientsin, according to reports emanating from Japanese sources in Tientsin, Mar. 30. The purpose of this control, it is stated, is to bring about coordination of all Japanese economic activity with a view to the pursuit of a single aim. From now on, business activities of the Mitsui, Mitsubishi and Hsin Chung companies, in addition to cultural enterprises of the Japanese Colonial Department, will be controlled and directed by the Japanese garrison in Tientsin. Col. Hashimoto, chief-of-staff of the Japanese garrison, is proceeding to Tokyo to confer with the Japanese War Ministry on problems relating to this control. He will also endeavor to persuade the Japanese authorities to invest a sum of $24,000,000 in the projected Tsiliu Railway which is to run through Shantung province.

Mission from Hopei and Chahar Proceeds to Japan

An inspection party, consisting of 26 military leaders and inudstrialists drawn from the provinces of Hopei and Chahar, sailed for Japan on a tour of investigation April 5. Gen. Chang Shih-chung, mayor of Tientsin, is at the head the party, Col. Nagashima is acting as the party's official guide in Japan.

To return the recent visit of a group of experts from the Ministry of Communications in Tokyo the Hopei-Chahar Political Council is organizing a similar mission to Japan. The mission will be composed of more than 10 members from various Communications institutions in Peiping, Tientsin, and Hopei and Chahar, including the Commissions of Reconstruction and Communications under the Council and the Peiping Telegraph Administration.

Difficulties Arise Concerning Economic Co-operation in North

Difficulties have arisen from the much-heralded Sino-Japanese economic co-operation in North China, particularly the construction of the Tientsin-Shihchiachwang Railway, according to Colonel Wachi, Staff Officer of the Japanese Garrisons. A special envoy has been sent back to Japan to solicit instructions in this connection, he added.

"Boot-Legging" Establishment Raided in Peiping

A large-scale "boot-legging" establishment was raided by the police in Peiping, Apr. 2. Equipment for the manufacture of wine and alcoholic liquors, valued at several hundred thousand dollars, and 80,000 bottles of wine were seized. *Kuo Min* says the unlicensed factory belonged to a foreign national.

Armed Clash Reported Between Chinese Farmers and Japanese Troops in Funing

More than 200 Chinese farmers had an armed clash with the Japanese troops in Funing, East Hopei, April 1.

Hsin Chung Company Buys Salt Fields

Large tracts of salt fields have been purchased by the Hsin Chung Company, a Japanese concern, at Hanku near Tientsin. A Japanese salt company to be known as the North China Salt Company, is being organized to undertake the work of producing salt in these salt fields.

Construction of Tangku Harbor Decided at Important Japanese Meeting

A decision to improve Tangku harbor was reached at a meeting of the Japanese naval officers in Tientsin April 2. Other questions discussed at the meeting included steps to be taken to effect closer co-operation among Japanese naval units in China. It is understood that considerable debates were caused regarding the question of the construction of the Tangku harbor. The so-called "ten-year" plan of Captain Nomure met with strong opposition.

Tientsin Students Urge That Anti-Smuggling Drive in North Be Intensified

Three representatives of the student body in Tientsin and Peiping Mar. 30 called on W. R. Meyers, Commissioner of the Tientsin Customs, and urged him to intensify the smuggling suppression campaign.

Japanese Banks in North China to Hand Over Silver?

Arrangements are stated to be in progress to have the Japanese banks in Peiping and Tientsin hand over their silver holdings, but no decision has yet been reached. The white metal held by Japanese banks in North China exceeds by far the $9,000,000 in Japanese vaults in Shanghai.

Naval Officer Says China Situation Is Quiet

"The political situation in North China appeared to be quiet," said Cabtain Yeshio Suzuki, Chief Staff of the Japanese Naval Office in Hsinking, when be arrived in Dairen March 26, on the s.s. *Dairen Maru* after inspecting conditions in North China.

French Journalist Sees Latent Economic Power in China

Latent but real factors of strong economic power are in evidence in China, Lucien Romier, noted French journalist declared in an article published Apr. 5 in *Le Figaro* (Paris) in a series devoted devoted to the problem of the evolution of Chinese economy (sent to the paper from China, where M. Romier is now visiting.)

Spanish Loyalists Object to Naval Blockade by Britain

The Spanish loyalist Government Mar. 25 addressed a scathing Note to the British Foreign Secretary, Anthony Eden, concerning plans for the enforcement of a naval blockade round Spain. "The Spanish Republic," the Note declared, "will fight for her sovereign right to purchase arms and munitions wherever she pleases. She will decline any responsibility if this leads to an extension of the conflicts. The rebellion would have ended months ago if the democracies of Europe had not, through a mistaken and suicidal policy, denied to Spanish democracy the means of defence."

French Warships Ordered to Stop Spanish Interference on High Seas

All French warships have been instructed to assist French merchantmen stopped on the high seas outside Spanish territorial waters and oppose forcibly, if necessary, any inspection or change of course, according to an official announcement made in Paris, April 1.

Soviets Allege Italian Troops in Spain Number 60,000

Russia's representative, Ivan Maisky, at the meeting of the Non-Intervention Committee in London Mar. 23 called attention to the "ever increasing military intervention into Spanish affairs on the part of the Italian Government," and that according to the U. S. S. R. Government's most reliable information, the number of Italians in Spain at the middle of February was not less than 60,000, which number, they had reasons to believe, had since been considerably increased.

German Diesel Planes Fail in Spanish War

The new type of German junkers planes, fitted with Diesel engines and tested for the first time in the Spanish civil, war, have proved a definite failure, according to recent press reports from Madrid.

Italy and Yugo-Slavia Sign Five-Years Pact

Italy and Yugo-Slavia Mar. 26 signed a five-years pact which strengthens Italy's position in European politics. It provides for mutual assistance in defending each others' interests.

No War in Europe in Next Two Years, Believes Chinese Diplomat

There is no likelihood that any armed conflict will occur in Europe during the next two years, although the leading Powers are now on a keen armament race, declared Wu Nan-ju, Chinese Minister to Denmark, in an interview with a representative of the *Central News Agency* upon his arrival in Shanghai Mar. 29.

Death of Ambassador's Son at Addis Ababa Confirmed

It was confirmed in London April 4 that the eldest son of Dr. Martin, the Abyssinian Minister in London, was killed in Addis Ababa in the massacre which followed the attempt on General Rudolf Graziani, the Viceroy of Abyssinia.

Nation-wide Boycott Marks Inauguration of Provincial Autonomy in India

The inauguration of autonomy in 11 provinces of British India, and the separation of Burma from India, took place April 1. The King of England addressed messages both to India and Burma in which he assured the population in those two countries of his interest in and good wishes for their continued welfare. The King expressed the hope and belief that Burma will find in her new Constitution the road to ever-increasing happiness and prosperity.

A nationwide boycott, organized by the Indian National Congress Party, marked the inauguration April 1 of provincial autonomy in India under the new British Indian Constitution. The Calcutta Corporation passed a resolution closing its offices and all schools for the day as a protest against the Constitution.

The latest province to form a Ministry under the Constitution is Assam, where a coalition consisting of two Muslims, a Hindu and a Christian Indian has been established.

Burma Is Separted from India by Royal Decree

Burma became separated from the Indian Empire April 1 when the new British Indian Constitution was inaugurated. Sir Archibald Cochrane, the Governor of Burma, took the oath of office.

Shanghai Customs Preventive Staff Seizes More Copper Coins

Customs Preventive officers in Shanghai early April 6 seized another large lot of coins, consisting of some 90,000 pieces, on board the Japanese freighter *Maya Maru*. The smuggled coins were allegedly put on board the ship shortly after midnight Monday by a band of Japanese and Koreans. Customs officers, after making sure that the contraband goods were on board, boarded the steamer and seized the money.

Macao Will Be Base for Pan-American's Far Eastern Service

With the tentative date for the establishment of a through U. S. to China air service in the near future, officials of Pan American Airways, pioneers of the Far Eastern air line, released further details of their new service, in San Francisco, Aprli 4. Macao, Portuguese possession, considered the best operating point in South China, will be the Chinese base for the new venture, which is expected to be a paying one from the start. Officials of the company said their 25-ton Clipper ships were unable to land in the Canton river and asserted Hongkong was too open for basing operations. Hongkong will be used, however, as a port of call through arrangement with the British Government and also as a connecting point with Shanghai, interior Chinese points, Indo-China, the Straits Settlements and India. Service to Shanghai and interior places will be conducted through the China National Aviation Corporation, a partnership between the Chinese Government and Pan American Airways, and also by British Imperial Airways.

It was announced later that air mail service between the United States and China will start from San Francisco April 21. The passenger service will commence on April 28. The first passenger flight from Hongkong will take place May 6.

Shoe-King Bata's Plane Forced Down at Chicago

The twin-motored monoplane which has been touring the United States under the sponsorship of Jan A. Bata, the Czechoslovakian "shoe king," was forced to make a "pancake" landing on a golf course in Chicago April 4 while lost in a heavy rainstorm. Mr. Bata recently abandoned plans to fly from Europe to Japan at Hongkong after his plane had been forced down in Touraine, northern Indo-China. The plane was sent to America on a ship.

Peiping-Tokyo Air Service to Start June 1

Tientsin advices state that through air traffic between Peiping and Tokyo will commence as from June 1.

All-Japan Made Long-Distance Plane Completed

The Tokyo *Nichi Nichi* Mar. 30 stated that the hope of Japan's aviation world in its challenge to world aviation, the long-distance plane built at a cost of Yen 240,000 and, effort of four years by the Imperial University Institute of Aeronautical Engineering which mobilized its brain trust, has been completed at last. The plane is capable of flying 16,000 killometres at a hop and of girdling the earth in three. The machine weighs 3,700 tons.

Tokyo "Asahi" Monoplane on Flight to London with Good-Will Message

Forced back by bad weather encountered over the Loochoo Islands, the *Asahi* monoplane *Kamikaze* (Divine Wind) returned to the Tachikawa Military Airport at 8.50 a.m. April 1. The plane had left at 1.44 a.m. that morning with the intention of making a record flight to London. In its abortive start, the *Kamikaze* covered 2,500 kilometers in seven hours and six minutes and maintained an average speed of 380 kilometers.

The *Kamikaze* took off once more from the Tachikawa Airport at 2.12 a.m. April 6. It was unable to reach Rangoon, as had been hoped, on the same day, due to clouds beyond Formosa. The plane arrived at a small town beyond Hanoi at 5.50 p.m., with a short stop at Taihoku, Formosa, enroute.

The pilot is carrying goodwill messages from cultural organizations in Tokyo to similar bodies abroad, including special messages of congratulation from Japan to Great Britain on the occasion of the Coronation of King George VI.

Japanese Warships Arrive in Swatow for Unknown Purpose

Seven Japanese destroyers and cruisers suddenly arrived at Swatow on Sunday afternoon from Formosa the purpose of which is unknown, according to information from said city. The Amoy city government was not informed of the fleet's visit by the Japanese Consulate until one hour later.

Sino-Japanese Hui Tung Aviation Firm in North China Sustains Heavy Losses

Since its establishment last November, the Hui Tung Aviation Corporation, a Sino-Japanese concern in Tientsin, has incurred losses to the amount of more than $500,000, the monthly income of its air services not exceeding $10,000, according to a Tientsin dispatch printed in the *China Times* (Shanghai). In the first month of its establishment it incurred a loss of $180,000. Although conditions slightly improved later, its losses remained constant at the figure of about $100,000 monthly.

During the five months of operation, it was said, practically all the passengers patronizing the services were Japanese residents, Japanese garrison troops in North China, and officials of the Kwantung Army. Not one single Chinese traveled on the Hui Tung machines, and only a few Europeans and Americans.

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The Poison Gas Scare in the Far East

BY HALDORE HANSON

SPORADIC air attacks upon London, Paris, and Antwerp during the world war have led some writers to assert that the city will be more dangerous than the battle-field in future military struggles. Expounders of "newspaper chemistry" speak of newly discovered chemical substances, a single drop of which will wipe out a city. The Chinese, Japanese, Russian and other governments are systematically propagandizing their people on these dangers. Air defence bureaus distribute posters luridly portaying a city in flames, and thousands of innocent civilians lying dead in the streets, "smothered by the unseen killer." We hear about Russian air fleets just 800 miles from the Japanese population centers, ready at any moment to convert Tokyo and Osaka into smouldering, gas-filled graveyards.

Chemical journals of America and Europe, edited by experts who will no doubt be directing the chemical weapons of the next war, are branding these sensational speculations as nonsense. Dozens of scientific articles have been written in the last ten years debunking the danger of gas attack upon cities, but still the impression persists that civilian populations will be helplessly at the mercy of enemy airmen the hour a war commences. Suppose we ask the question: what do experts have to say about the danger of gas attack in the Orient, particularly in China?

Take Shanghai for example, and assume that its area of densest population is 20 square miles. It is probably much more. In order to attempt heavy casualties in an undefended city, using a gas like phosgene, it is necessary to employ 16 tons of gas to the square mile, which would create a gas layer 30 feet high. This strength of gas (one part in 10,000) if breathed by an unprotected person for one hour, would result in death. (For the city of Shanghai, this gas attack would require 320 tons of gas, which one journal lists at U.S.$40,000 a ton,—totalling U.S.$12,800,000.)

Perhaps some enemy nation would consider that a bargain price for eliminating two-thirds of all the occidentals in China. But again, let us see what the chemists have to say about the results of this 30 foot layer of gas: "The majority of the population would escape all injury by simply going into an ordinary tight room at the first indication of danger, and closing all doors, windows, and ventilators. After a short time the wind will have reduced the gas concentration far below the danger point."

Several Chinese magazines have recently discussed the amazing potency of mustard gas, and repeated the scientific fact that 20 milligrams of this gas quickly absorbed into the lungs will result in death. At this rate, one ton would kill 45,000,000 men, and all Shanghai could be exterminated with 110 pounds. But it would only be true if the gas squad went about with medicine droppers, measuring out each man's quota, which he opened his mouth to receive. A machine gun can shoot 600 bullets a minute, and one bullet will pass through three men, standing back-to-chest. By the same logic, a machine gun can kill 1800 men a minute and a hundred machine guns could wipe out Shanghai in less than a day.

As a matter of fact, during the world war a total of 12,000 tons of mustard gas was employed by all armies combined, resulting in exactly 9,763 deaths, according to the *American Journal of Industrial Chemistry*. It took one and a quarter tons of gas to kill a single man. That was on the battlefield. Naturally we suppose that casualties in a crowded city would be far greater, but again the scientist disagrees. It is far easier to guard against gases in a city than in the open field because a large percentage of the gas condenses on the housetops, and that which reaches the street is easily neutralized with an ordinary fire hose.

The fact is plain that poison gases are not very poisonous (in military use), and their purpose is not to kill people. Gas warfare creates a fear of something unseen, causing inefficiency on the battlefield and panic in the city. Cities preparing for national defence should propagandize *the harmlessness, not the danger, of poison gases*. The greatest assistance to an enemy air force is to display pictures of flaming cities, streets littered with dead; this is the propaganda out of which panics grow. Preparation for gas attacks need be but two-fold: (1) educate the people to get indoors with their windows closed; (2) train a gas corps for neutralizing the streets.

There is always the danger of some new gas being developed, we all believe, which will be far more powerful than those used during the world war! Chemists scoff at the idea. Experimentation was pushed to the limit during the war, and produced four kinds of chemical weapons: lung irritants such as phosgene, tear gas causing temporary blindness, sneezing gas which nauseates a soldier, and mustard gas which burns his skin. Not a single more poisonous gas has been added to the list.

"The popular press," says the *Journal of Chemical Education*, "is ever wont to announce the discovery of some new powerful gas which is a hundred times more toxic than mustard. There is no such gas, nor is any such ever likely to be discovered. The total number of organic compounds known to chemists is somewhat in excess of 200,000. Our agents have been selected from that number by the most eminent investigators, and solely upon the basis of their employment as toxic agents. Accordingly, the chances of the discovery of a more toxic substance is vanishingly small. As a matter of fact, there is a probable limit to the toxicity of compounds, and this limit must be practically reached at the present time."

This world-wide contest among chemists to produce the deadliest gas is not unlike the competition for a world athletic record. Once established, a record may occasionally be broken, but only by the smallest fraction of measurement, a fraction which would make little difference in gas defence. Regarding masks, the editor of the *Journal of Industrial Chemistry* remarks, "It is true that the mask developed during the world war was not proof against irritant smoke, but at the present time our army . . . . . affords protection against every type of chemical agent which so far has been conceived as at all useful in war time."

Aside from the relative harmlessness of gas attack, and the extreme cost of the raw materials, there are several political and strategic reasons why no nation in the Far East would intelligently use gas on a city of noncombatants. In a war between China and Japan, one of the greatest difficulties of the Chinese government will be the arousing of patriotic support from the masses, a difficulty which would be largely overcome by Japanese bombing of the larger cities. Millions of wage earners whose daily lives would be little touched by a war hundreds of miles away might become loyal supporters of the government, almost overnight, if a neighbor's house were blown up in air attack, or a friend had been gased.

This same caution against bombing cities is still more true of a war between Russia and Japan, for the Russians would be fighting not for a military victory on the battlefield, but for a political victory in Japan itself, a revolution which would undercut the army's support as the Russian revolution did in 1917. In any war between Japan and Russia, Japanese cities would be attacked not with gas or incendiary bombs, but something far more dangerous—the propaganda leaflet. And the gist of every message, underneath the hammer and sickle, would be, "The Russians are the friends of the Japanese people. We are only fighting your military leaders." Such a propaganda war would be negated by any gas attack upon unprotected civilians, and would further the ends of neither army.

Wuchang, March 29, 1937.

Japanese Forces at Shanghai Stage Maneuvers as Preliminary to Review on April 10

The Japanese Special Naval Landing Party and bluejackets from Japanese men-of war engaged in periodical maneuvers in the Yangtszepoo district of Shanghai on the early morning of April 1. The games, which began at midnight, were staged east of the Yangtszepoo Creek, on the supposition that the area was attacked by an enemy force. The participating units were reviewed in Hongkew Park at 10:30 a. m. by Vice-Admiral Kiyoshi Hasegawa, Commander-in-Chief of the Third Japanese Fleet. The Park and the area bounded by Kiangwan, North Szechuen and Darroch Roads was closed to traffic between 10:45 and 11:30 o'clock in the morning.

Domei stated that these maneuvers served as a dress rehearsal for the review that will be held on April 10 during the visit to Shanghai of Admiral Mineo Osumi, former Japanese Minister of the Navy, who has been detailed as a special inspector of the Third Fleet, stationed in Chinese waters.

Chinese Sugar Manufacturers Will Make Inspection Tour of Formosa and Japan

Leading Chinese manufacturers of sugar will depart middle of April from Shanghai for a 40-day inspection trip of sugar refineries in Formosa and Japan. The group will be led either by Yuan Liang, former Mayor of Peiping, or Huang Kiang-chuan, President of the Federation of Shanghai Sugar Manufacturers. Among the plants to be inspected in Formosa will be those owned by the Formosan Sugar Manufacturing Company; the Nippon Sugar Manufacturing Company; the Meiji and the Ensuiko Sugar Manufacturing Companies. From Formosa, the group will proceed to Japan, visiting Tokyo, Osaka and other major cities, and returning here at the end of May.

Aiichiro Fujiyama, President of the Dai Nippon Sugar Manufacturing Company, on his return to Tokyo Mar. 31 from Shanghai (as a member of the Japanese economic mission to China), stated that whatever may be the relations between Japan and China in other fields, there is no friction between the two nations in the field of sugar manufacturing. Sugar produced in Formosa and Japan, he declared, is required to fill the domestic demand, and cannot be exported abroad. On the other hand, China, with her 450,000,000 consumers, has a long way to go before being able to develop an industry capable of satisfying the demand for sugar.

Admiral Osumi Arrives in Shanghai to Inspect Japanese Warships

Admiral Mineo Osumi, former Navy Minister and special navy inspector for this year, arrived here this week to inspect Japanese warships in port and the local special naval landing party. He made the trip via Tsingtao, where he inspected the units of the Fleet stationed there.

Naotake Sato, Japanese Foreign Minister, is stated to have tentatively decided to appoint Itaro Ishii, former Consul-General in Shanghai and now Minister to Siam, as chief of the East Asiatic Affairs Bureau of the Gaimusho to succeed Mr. Morishima, who will be transferred to another post.

Rear-Admiral Senzo Wada, Commander of the Mako Naval Station, in the Pescadores, arrived in Foochow Mar. 31 aboard the destroyer *Matsukaze* for a three-day visit. He later proceeded to Amoy.

In view of the fact that S. Kawagoe, Japanese Ambassador to China, will henceforth reside permanently in Nanking, the envoy's office in Shanghai was abolished April 1. The Japanese Foreign Office in Tokyo has decided to increase the number of counsellors in the Japanese Embassy in China from one to three, to be resident in Peiping, Nanking and Shanghai respectively.

Suemasa Okamoto, Director of the American Affairs Bureau, was gazetted April 2 to serve as Consul-General in Shanghai. Seijiro Yoshizawa, Councillor of the Embassy in Washington, was appointed to succeed Mr. Okamoto.

Iyemasa Tokugawa, Ambassador to Turkey and heir to Prince Iyesato Tokugawa, was relieved of his port at his own request April 5.

Admiral Nomura, member of the Supreme War Council, was formally ordered April 6 to retire from active service. He was simultaneously appointed President of the Peers' School, a select institution.

The death occurred in Tokyo April 5 of Mrs. Akira Ariyoshi, wife of the former Japanese Ambassador to China, of tuberculosis of the spine, at the age of 46.

N. Yoshioka, Third Secretary to the Japanese Embassy, and Mrs. Yoshioka gave a cocktail party at the Cercle Sportif Francais, Shanghai, April 9, to introduce Mr. and Mrs. A. Tajira.

Strikers in Shanghai Silk Mills Go Back to Work as Result of Wage Increase

For several days last week an ugly situation developed in connection with a strike of about 15,000 employees in more than 200 of Shanghai's silk mills. The principal incident occurred in the afternoon of April 3 when 800 strikers—mostly men—started to march in procession on Thorburn Road to the eastern part of Yangtszepoo with the avowed intention of exacting "strike funds" from the management of the Mei Foong Weaving Mill. The demonstration was broken up by the Police Reserve Unit, reinforced with the Russian reserve in military field kit.

In the meantime the Bureau of Social Affairs used its good offices in bringing about a settlement of the strike. Many of the mills granted an increase of wages. It developed however that the strikes were to a large extent fomented by professional agitators, and as a result two alleged leaders of the strike at the Mei Foong establishment were charged by the Police at the First District Court April 5 with committing offences against public order. The Police refused to acquiesce to a request from the local Tangpu and the Bureau of Social Affairs that the prisoners be released and the charges dropped in order that further trouble might not be precipitated.

As a result of the good offices of the Bureau of Social Affairs most of the workers had gone back to their duties by Monday morning. The Bureau threatened heavy penalties upon those who refused its order to return to work, seeing that it had been successful in securing an increase of wages.

A total of 2,230 workers of the British owned Kung Yik (Ewo) Cotton Mill, Robison Road, went on strike April 1 when the management rejected their eight demands. Following a clash between the workers and the policemen, 19 workers were injured. The clash started when a policeman was hit by a falling board from a window.

A petition was submitted to the authorities April 2 by the Shanghai Chamber of Commerce, urging that punishment be meted out to the instigators of the strikes.

Several riots broke out in factories in Shanghai Mar. 29 on the occasion of the anniversary of the death of the 72 martyrs. Disturbances were caused in Western Shanghai and Chapei but were suppressed by the police. The trouble started with a request for a holiday on the occasion of the anniversary. Factory owners, however, insisted on operating as usual and refused to pay the day's wages unless the workers were at work.

At the Yuan Ling silk mill in Yangtsepoo the Settlement police charged a mob of about 500 strikers who had thrown stones. Three were arrested.

Can Japan Survive?

BY NUGENT RUGGE

(Continued from last week)

Now we come to a table of extraordinary interest. It shows the share in the huge increase of the national debt that has been devoted to the army and naval services. The ordinary charges for the army and navy do not vary much from year to year. A study must be made of the extraordinary expenditure to obtain a clear idea of the cost of militarism to the Japanese taxpayer. The following table shows the extraordinary expenditure on the army and navy since (and including) the fiscal year 1930-31 :—

Extraordinary Expenditure on Services

1930-31	Yen 121,425,000
1931-32	152,023,000
1932-33	407,378,000
1933-34	527,121,000
*1934-35	573,894,000
*1935-36	626,021,000

*Budget estimates. (In January, 1937, the budget for 1937-38 totalling Yen 3,040,000,000 was published. The expenditure on the army and navy, ordinary and extraordinary was estimated at Yen 1,409,618,000. The national debt was to be increased by Yen 802,452,000.) When the Hirota Government fell towards the end of January and was succeeded by that headed by General Hayashi, the Budget was cut down by some two hundred million yen, but the Army and Navy estimates were left untouched. The saving was made by decreasing the relief to be given to the poverty stricken rural population.)

The net increase of the national debt in the six years was Yen 3,130,995,000. Of this the army and navy secured no less than Yen 2,407,862,000, leaving Yen 723,133,000 for all the other departments of Government. Apologists for Japan will find it hard in the face of these facts to deny that the country is under the heel of the militarists.

An Impossible Aspiration

Enormous increases in national indebtedness can be justified in certain circumstances. If they are necessary to overcome an economic crisis, or to wage a defensive war, no exception can be taken to them. It is true that Japan has been and is faced by an economic crisis, but the money obtained by borrowing has not been expended in the relief of those who were hardest hit—the agriculturists. Instead it was poured into the already swollen coffers of the munition manufacturers. Neither has the national debt been increased in order to wage a defensive war. Japan has simply been inspired by the wish to make herself so powerful that she could continue without restraint the career of aggression upon which she embarked in 1931.

That wish is impossible of fulfilment. The financial base of Japan has been sapped by the military fascists. There is not even a mirage of hope of relief for the vast majority of the Japanese tax-payers who do not benefit personally by the squandering of the national wealth on the "defence" forces. In the opinion of many unprejudiced observers, the time will come when they will refuse to be frogmarched longer to make a militarists' holiday. The idea of a revolution in Japan would have been considered ludicrous twenty years ago—thanks to the Japanese military party it has now become a probability rather than a possibility.

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Lack of Natural Resources

Suppose there were war. Japan is poorly endowed with natural resources. Her reserves of iron and coal are inconsiderable in quantity and poor in quality. This also applies to her copper deposits. She has to import large quantities of coal, iron, cotton, rubber, oil and other war material. China supplies most of the better class iron ore which she is compelled to obtain from abroad. Malaya and India are also drawn upon. In the event of war with China supplies both of iron and coal from that country would cease. Possibly a rigid interpretation of the international law relating to contraband of war would cut off supplies from other countries. Japan would then have to depend upon her own resources. From the puppet state "Manchukuo" and from Korea she could certainly obtain both coal and iron, but they also are poor in quality.

For oil also Japan depends upon imports. Naturally it would be to her advantage to establish friendly relations with the providers. But, with her singular propensity to offend those whose friendship is most valuable to her, she has estranged the great British, American and Dutch oil interests. They were practically frozen out of Manchuria by the establishment of the "Manchukuo" oil monopoly. In Japan they were harassed by legislation which put them at the mercy of the Japanese Government. After concluding a pact with the U.S.S.R. for the exploitation of the North Saghalien oil wells, Japan signed an agreement with Germany which everyone knew to be directed against Russia. This may lead to denunciation of the pact by the Soviet Government.

No doubt, although she is a large importer of foodstuffs, Japan could supply her own needs in time of war. But, if the war were protracted, there would certainly be a pinch, and a simultaneous depletion of reserves of import d raw material might possibly cause a breakdown of the war machine. If the country were subjected to air-raids it is probable that the civil populace, so long muzzled by the military, would break its bonds and the day of reckoning would be in sight.

No Aid for Japan

In the event of war, what outside assistance could Japan hope for? Let us assume that the Kwantung Army—which appears to determine Japan's foreign policy—decides to force China into war to prevent further alienation of her territory. Espousing the cause of Japan would necessarily involve forfeiting the friendship of China. With every country except Japan China is on the most cordial terms. This is true even in regard to Germany and Italy, the only two countries which have stepped over the barrier set round Japan by the League resolution in 1933. Neither of these impoverished countries would care to incur China's enmity with the resultant loss of trade, nor could they assist Japan if she were at war, as is stated in more detail later.

That either the United States or Great Britain should afford aid to Japan is inconceivable. Both nations have friendly diplomatic relations with Japan, but they are openly suspicious of her actions on the mainland. They have shown disapproval of the efforts of the Japanese military to compel the creation of an autonomous North China state, supported by Japanese bayonets, north of the Yellow River. Baffled in the larger plan, the Japanese, it was noted, created a puppet "East Hopei Government;" tripled her North China garrison; illegally seized Chinese salt fields, and struck a heavy blow at American and British trade in North China by giving official countenance to undisguised smuggling. The Anglo-Saxon nations have observed with apprehension that the "open door" in North China is steadily being closed, as it has already been practically closed in Manchuria. Japan's policy to weaken China and virtually to monopolize trade opportunities in China is directly opposed to the policy of the United States and Great Britain to preserve "equal opportunity" and to assist China towards economic self-sufficiency and national unification. It may be asserted with confidence that, if Japan forces China into war, the former will receive neither moral nor material aid from either Britain or America.

Next we must consider the situation in which Japan would find herself if she became engaged in hostilities with the Soviet Union. In this case, also, it is extremely unlikely that she would obtain financial or other assistance from America or Britain. China would endeavor to maintain neutrality, but if she were unwillingly forced to participate, she certainly would not be found fighting beside Japan.

Could or would Italy or Germany, or both, assist Japan in a Russo-Japanese war? The agreement between Japan and Italy is said to be solely an undertaking by two possessors of illegally acquired property to recognize each other's ownership. Italy is bitterly opposed to Communism, but it is extremely doubtful whether she would try to assist Japan militarily or financially against Russia. With Germany, however, Japan has entered into what has been construed as an alliance. No-one is so ingenuous as to think that the whole truth has been told about the alleged anti-Communist pact. It is generally believed that secret clauses provide for military co-operation between Germany and Japan in certain contingencies. Therefore it is worth while to discuss the nature and extent of the aid that the two nations could lend to each other.

Could Germany Help?

What assistance could Germany render Japan if the latter became embroiled with Russia? Germany is, financially, in as desperate a state as Japan. She could give no military assistance unless she compelled either Poland or Czechoslovakia or both to permit her armies to pass through their territories. Poland successfully fought Russia shortly after the termination of the World War, but she is well aware that the Russia of to-day is too formidable to oppose or estrange. She has also a treaty with France. In regard to Czechoslovakia, that country has an actual understanding with the U.S.S.R., which would be actively implemented in the case of war. And Czechoslovakia is one of the satellites in the French political system. There is a possibility that Germany, with the help of the three million Germans in Czechoslovakia, might stir up a civil war in that country as a pretext for intervention, but that would be more likely to react disastrously upon Germany than give assistance to Japan.

On the sea the German navy, though it is growing, is of no real consequence as yet. In any event it could only operate in European waters, and the influence that it would exert would be negligible.

(To be Continued next week)

Tension Continues in American Automobile Labor Situation

Labor troubles continue to haunt the U. S. automobile industry. The two principal storm centers at present are the Chrysler and Ford plants in various parts of the country. Two thousand five hundred "sit down" strikers in the Ford plan. at Kansas City departed from the factory April 3 in snake dance formation, following a promise by the management that no wo-ker would be discharged if the plant was surrendered.

Governor Murphy of Michigan is supervising negotiations between Walter Chrysler, head of the Chrysler organization, and John L. Lewis, head of the Committee for Industrial Organization.

Increased Wages Stop Threatened Strike in U. S. Coal Industry

The strike roll of the United States was substantially reduced as a result of a coal agreement, April 3, which is estimated to have increased miners' wages by $17,000,000 a year. Altogether some 462,000 miners were involved in the coal dispute.

Inflationist Drive Renewed in the United States

Thirty-eight members of the U.S. House of Representatives favoring inflation, representing 36 states, March 3 agreed to press for legislation providing for Government ownership of the twelve Federal Reserve Banks.

Japanese Arrested in Los Angeles Suspected of Espionage

A Japanese, Buichiro Abo, was arrested in Los Angeles, California, on March 30, suspected of espionage. Blueprints of gun replacements of a Hawaii fort and of the Los Angeles water system were found in his room, as well as a radio receiving and transmitting set. The set, however, was believed to have been too weak for espionage work. He was arrested originally on a charge of assault on another Japanese.

Quezon Denies that Philippines Defenses Are to Be Used by U. S.

The Philippines must achieve economic freedom before they are granted political independence, declared the American High Commissioner for the Philippines, Paul V. McNutt, in an address to the joint session of the California State Legislature at Sacramento, April 2. "The independence program of the Islands has passed its initial stages," Mr. McNutt asserted, "but there yet remain problems which are awaiting solution and questions in regard to which decisions must be reached. I have seen no indication," Mr. McNutt declared in an interview with the press, "that the United States is going to throw the Philippines to the wolves. In other words, the Administration is bent on doing everything to give the Islands the best possible start."

The belief that an invasion of the Philippine Islands could be made "so expensive and so costly in lives and money that no nation in its senses will attempt it," was expressed in New York April 3 by Senor Manuel Quezon, President of the Philippine Commonwealth, in a speech before the Foreign Policy Association. The speaker emphatically denied that the defense plan of the Islands was designed to strengthen the military power of the United States in the western Pacific. The defence plan, Sr. Quezon declared, was intended primarily to give the Philippines better and more efficient citizens, "and only if and when the necessity arises, efficient and gallant soldiers." Japanese-American relations at present were more friendly than in many years, he stated, and therefore there was nothing "to justify the accusation that America planned the Philippines defense program to strengthen herself for a war against Japan." Sr. Quezon also ridiculed the suggestion that the military in the Philippines, under the present national defense program, "could ever constitute a special privileged class or could rule the country."

Sr. Quezon pointed out that the Philippines army including the constabulary, will reach a maximum strength of 10,000 enlisted men, compared with a population of more than 15,000,000.

U. S. Congressman Says Philippines Can Have Immediate Independence if They Want It

Immediate independence for the Philippines "if they want it" was recommended to the House of Representatives Mar. 30 by Allen T. Treadway, Republican from Massachusetts. He added he was opposed to granting the Philippines any tariff concession after independence.

Manila Gold Share Market Slumps Because of Independence Rumors

The gold share market in Manila became considerably demoralized last week as a result of the proposal advanced in the United States by Senor Manuel Quezon, President of the Philippine Commonwealth, to advance the date of complete independence from 1945 to 1938 or 1939. The chief factor unsettling the market was the uncertainty surrounding the situation.

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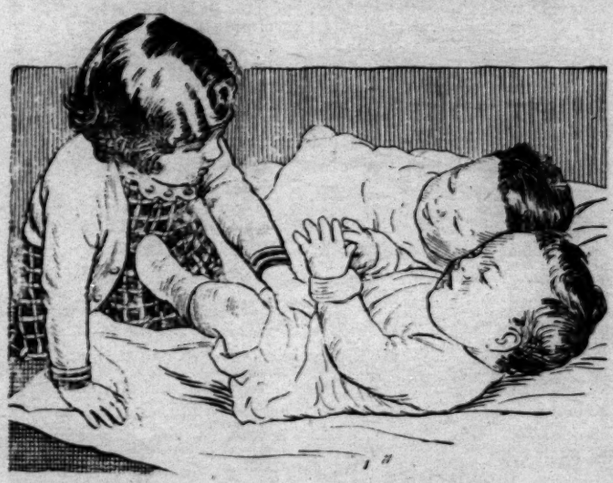

"Hello, twins! Have you had your B.O.T.?"

Fragile Twins Win Through To Health

With The Aid of

Baby's Own Tablets.

Practical proof such as is afforded by the evidence of Mrs. J. Henry, a Canadian mother residing at 346 Sumach Street, Toronto, is much more convincing than any amount of theoretical talk.

"My first children were twins," writes this lady. "They were born prematurely and weighing only 2½ lbs each. When they were six months old I read of Baby's Own Tablets and decided to give them a trial. The results were very gratifying.

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DR. WANG CHUNG-HUI ASSUMES ACTING EXECTIVE YUAN PRESIDENCY; SERIOUS FAMINE IN SZECHWAN

(*Continued from page 208*)

of the six measures have not been divulged, it is leamed that they will form the basic scheme for cementing the Central authorities and Szechwan into a closer unit in accelerating the task of national rejuvenation.

The establishment of a network of granaries and co-operate treasuries in Szechwan was one of the decisions reached between Wu Ting-chang, Minister of Industry, and Lu Tso-fu, Reconstruction Commissioner of the province.

The only way to conquer poverty is to push economic reconstruction, declared General Liu Hsiang, Chairman of Szechwan, in the course of a speech given at the inauguration meeting of the Chengtu Branch of the People's Economic Reconstruction Association April 3. Wu Ting-chang, Minister of Industries now visiting there, also spoke at the ceremony. He stressed the necessity of mapping out a comprehensive plan for extensive economic reconstruction in the province. Minister Wu flew back to Nanking on April 6.

HONAN FAMINE-STRICKEN PEOPLE TO RECEIVE $420,000 RELIEF FUNDS

Loh Pei-hung, representative of Shanghai public organizations, has arrived in Honan to give relief to the famine-stricken people in the province. It is reported that $300,000 will be spent for the purchase of rice to be distributed to the famine-stricken people and another $120,000 will be spent as wages for the building of river banks.

KWANGTUNG AND KWANGSI LEADERS TO HOLD JOINT CONFERENCE IN CANTON

Shanghai Nippo reports that a joint conference of both Kwangtung and Kwangsi authorities will be convened by the Generalissimo's Provinsional Headquarters in Canton this month. This meeting is to be attended by Chen Cheng, Vice-Minister of War, and Cheng Chien, Chief-of Staff of the Nanking forces, besides whom, Li Tsung-jen, Pacification Commissioner for Kwangsi, has also decided to participate in this joint meeting.

Although Yu Han-mou, Pacification Commissioner for Kwangtung Province, has pledged his loyalty to the Nanking Government, it is reported, the military leaders, who held similar positions as Yu during General Chen Chi-tang's regime, have taken up an antagonistic attitude towards Yu, which has caused much worry to the Kwangtung authorities. In view of these circumstances, General Chiang Kai-shek has recently appointed Wu Te-chen, Mayor of Shanghai, as chairman of Kwangtung, so that the latter might cooperate with Yu Han-mou to handle the situation. Meanwhile, he will also proceed to Kwangtung in the near future, with the object of effecting a thorough readjustment of the local political and military affairs there.

Disbandment of the superfluous troops of the 4th Route Army under General Yu Han-mou is to be effected as from the 1st inst. in pursuance to the instructions of the Military Affairs Commission. It is announced that 21 regiments will be disbanded, numbering about 30,000 officers and men. The disbanded officers will be sent to the Canton branch of the Central Military Academy to undergo training while the physically unfit soldiers will be repatriated to their native districts.

The Executive Yuan granted on April 6, T. L. Soong, Finance Commissioner of Kwangtung, three month's sick leave, and appointed Tseng Yang-fu, Mayor of Canton, concurrently acting Finance Commissioner during Mr. Soong's absence.

Gen. Chen Chi-tang, former military chief of Kwangtung province, is reported to be on his way back to China from Europe, the vessel on which he is travelling having reached Singapore on April 2.

KWANGSI SEEKS PERMISSION TO FLOAT $20,000,000 BOND ISSUE

In an attempt to rehabilitate local finances, the Kwangsi Provincial Government has asked the Central authorities to give permission for the issuance of bonds amounting to $20,000,000.

Shanghai Nippo reported April 2 that the Central Government authorities have decided to revise measures in the readjustment of Kwangsi finance in the shortest period, following which a branch office of the Central Bank will be established in the Province. A branch of the National Economic Council is also to be set up in Kwangsi for co-operating with its authorities to engage in the opening of the local mines.

Despite the fact that the Central Government has already appropriated a monthly subsidy of $400,000 for the Kwangsi 5th Route Army, Generals Li Tsung-jen, Kwangsi Army Commander, will submit another petition to the Central Government, asking for the appropriation of an aditional monthly subsidy of $200,000, according to *Shun Pao* April 6. Generals Li Tsung-jen and Pai Shung-hsi will shortly proceed to the Capital from Kwangsi, to receive instructions from the Central authorities, Hsu Wen-ming, Director of the Nanking Office of the Pacification Headquarters for Kwangsi, stated in an interview April 4. According to Hsu Wen-min, Gens. Li Tsung-jen and Pai Chung-hsi are planning to train 3,000,000 local militiamen in Kwangsi province. So far, according to Mr. Hsu, only 800,000 men have been trained. It is expected that in the next five years, a total of 3,000,000 men will be able to defend the country as regular soldiers.

NANKING REVISES PUNCTUATION MARKS OF DR. SUN'S WILL

In view of the fact that the meaning of Dr. Sun Yat-sen's will has been often distorted, rectification has been made by the Central Government regarding the punctuation marks of Dr. Sun's will, according to a *Sin Wan Pao* report April 5. Copies of Dr. Sun's will with the revised and correct punctuation marks have been sent to the various provincial authorities.

MAYOR WU BIDS FAREWELL OF SHANGHAI AFTER FIVE-YEAR BRILLIANT ADMINISTRATION

A grand review of the members of the Shanghai Police Bureau, Peace preservation Corps and Civic Training Corps was held at the Lunghua Airdrome morning of March 31 in honor of Mayor Wu Te-chen. After receiving the salute, General Wu gave his farewell address to the local peace maintenance forces, which lined up in front of the platform.

Gen. Wu Te-chen's brilliant five-year record as Mayor of Greater Shanghai officially became history March 31 as he handed over the affairs of the Municipality to O.K. Yui, Acting Mayor. Gen. Wu gave a tea reception at the Greater Shanghai City Government building for over three hundrel Chinese and foreign officials and civic leaders in the afternoon of March 31, during which he officially bade farewell to Shanghai. Earlier in the afternoon Gen. Wu issued a farewell message to the 3,500,000 residents of Shanghai, in which he modestly lamented that he had not achieved as much progress in the administration and reconstruction of this city as was generally expected.

ERECTION OF TABLET IN HONOR OF GEN. WU PROPOSED

Erection of a tablet in the Civic Center in honor of the achievements made by Gen. Wu Te-chen in Shanghai was proposed by Pan Kung-chan, Director of the Bureau of Education and Social Welfare, at a lunch reception given at noon March 31 for the retiring Mayor by 46 local public organizations. Gen. Wu Te-chen, however, declined the proposal, explaning that he was not worthy of such an honor. The decision was considered settled when Wang Hsiao-lai, Chairman of the Chinese Chamber of Commerce, made a stirring appeal to Gen. Wu on behalf of the 3,500,000 residents of Shanghai, asking him to accept the proposal.

Increased Cigarette Taxes Put Into Force April 5

The increased rolled tobacco (cigarette) tax was put into force April 5 by the Interal Revenue Department of the Ministry of Finance. The revised scale includes four categories: a case of cigarettes valued above $800 is taxed at $800; above $400 at $400; above $200 at $200, and above $100 at $100. Any case valued below $100 will also be taxed at $100. The rolled tobacco trade associations and merchants protested strongly against the increases, but in vain. The tax from the rolled tobacco received by the Ministry in the 24th fiscal year, between June, 1935 and July, 1936, amounted to over $85,000,000. With the enforcement of the new tax scale, the Ministry hopes to collect an additional $20,000,000 a year. According to the old scale, which was abolished on April 4, a case of 50,000 cigarettes valued above $300 is taxed at $160, while that below $300 at $80.

The increased rate hits the American leaf tobacco business hardest. A 50 per cent decrease of the American leaf tobacco consumption here is expected from the estimated amount of 50,000,000 pounds for this year.

Shanghai Cigarette Factories Suspend After Working Overtime

Twenty-one Chinese cigarette factories in Shanghai suspended operations April 5 after having worked overtime to such an extent that they were able to buld up a reserve of stocks sufficient for the next month or two. Thie maneuver was carried out to circumvent the collection of the higher taxes, at least for the time being. More then 12,000 workers have been thrown out of work, but most of them seem glad of the holiday as they are tired out after weeks of extra work. Three of the factories are situated in the French Concession; the other 18 in the International Settlement.

Higher Taxes on Cotton Yarn—Japanese Mill Owners Protest

Simultaneously with the increased taxes on cigarettes, the Ministry of Finance is planning an increase in the consolidated tax on cotton yarns from 11 to 61 per cent. The highest increases are on 33s. up, on which the present rate is $11.63 per b.le, to be increased by $7.12 to $18.75. This means an increase of 61 per cent, equivalent to $10 per 100 kilograms. The new rate effects particularly Japanese mills in China, as most of these plants are manufacturing cotton yarns of the last category. The Japanese mill owners have lodged emphatic protests against these new taxes, particularly those on the finer grades of yarn.

Higher taxes on cotton yarn, matches and cement, are now in course of preparation. The increase in the tax on matches is to become effective late in April, that on cement in May, and that on yarn in July.

"Shanghai Nippo" Suggests Nanking Should Reconsider Taxation Policies

Reconsideration of its entire taxation policy by the Chinese Government wts urged by the *Shanghai Nippo* in an editorial April 3 discussing the proposed increases in cotton levies. Japanese textile interests, the paper said, "do not appear to be wholly opposed to the raise."

"They appear to show an understanding of the necessity behind the move. But the question arises as to how they will agree with the Chinese authorities on the extent and methods of increased taxation.

"Not only is a specific discussion by experts regarding the rate of increase held necessary, but concern regarding the effects such action will have on Japanese textile interests is being increasingly expressed."

"Reconstruction" Surcharge Added to Salt Tax

A "reconstruction surcharge" ot one dollar per picul on the Salt Tax was imposed by order of the Ministry of Finance in Wuhu April 2. The Wuhu salt merchants thereupon dispatched a delegation to petition the Anhwei Salt Commissioner to exempt the old stock of edible salt left over from last year from payment of the new surcharge.

Shanghai Municipal Budget Calls for Almost Ten Million Dollars for Police Force

The Shanghai Municipal Council this week published the Budget for 1937, on the basis of which the Council proposes to raise the tax rate from 14 per cent to 16 percent (on the house rentals) with a proportionate increase in the land tax. Outstanding expenditures are: Police Force, $9,747,710; and Pensions, $453,630—the principal item in the latter being an annual payment of $25,040 to K. J. McEuen, who was retired as commissioner of Police following the May 30 incident. The total budget is put at $23,848,320.

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Fukien and Formosa in Close Contact

BY THE REVIEW'S FOOCHOW CORRESPONDENT

RELATIONS between Fukien and Formosa are apparently close. Fukien and Formosa have more than once despatched good-will missions to each other. Chen Ti-chen, Fukien Reconstruction Commissioner, headed an economic mission (composed of industrialists, specialists, etc.) to Formosa; Chairman Chen Yi made an official call on the viceroy of Formosa; lately, Lin Chih-yuan, member of Fukien Provincial Government, and Kuan Chung-hsi, head of Diplomatic Affairs Department of the Government, went to Formosa allegedly for investigation of industrial and political conditions there. As for Formosa, important officials and leading Japanese have often come to Fukien; Formosan journalists have twice visited Fukien.

Fukien newspapermen, representatives of *Nan Fang Jih Pao* and *Fukien Min Pao*, two important newspapers in Foochow, *Chiang Sheng Jih Pao* and *Sin Kuang Jih Pao*, two leading newspapers in Amoy, *Chuangchow Jih Pao*, *Chuan Min Jih Pao*, a Changchow newspaper, and others, went aboard the *Mukden Maru* to Formosa on Mar. 15. Before they started, Uchida, Japanese Consul-General at Foochow, gave them a warm reception. He expressed his wish that the journalists of Fukien and Formosa would strive for betterment of Sino-Japanese relations and establishment of intimate friendship; he urged the Fukien newspapermen to publish their impressions of Formosa. On Mar. 18, Ming Fu-chiu connected with the *Nan Fang Jih Pao*, made a speech in the broadcasting station of North Formosa. He praised Japanese strenuous efforts in developing Formosa; he believed that the friendship of two peoples could be promoted by avoidance of misunderstanding; he urged the newspapermen of the two countries to correct misinterpretations, and he hoped that Japan would assist China in the building-up of a New China.

Formosan Agricultural Experts on Tour of Inspection

Dr. Imo, professor of North Formosa Imperial University and concurrently expert of Formosan Viceroyalty, and three other experts are touring Fukien, making a detailed investigation of agricultural conditions. Dr. Imo is devoted to the study of Fukien agricultural products, rice, etc.; others are devoted to forestry and gardening. They are expected to submit their findings with methods of improvements to the provincial government for consideration and adoption.

On Mar. 17, Dr. Imo made a lengthy speech in the Science Institute of Foochow. He said that the chief Formosan agricultural products are rice and sugar-cane and that thirty years ago Formosa yielded only two million piculs of rice each year but with the application of scientific methods of farming, Formosa now produces more than ten million piculs annually. He urged introduction of new methods of cultivation and industrialization of agriculture. An expert spoke about irrigation, stressing the necessity of topographic surveying; another expert pointed out that with her climate colder than that of Formosa, Fukien is better suited for fruit-growing.

Formosan Bank Asks for Liquidation of Old Debt

Fifteen years ago, Li Hou-chi, the then Governor of Fukien, borrowed from the Bank of Formosa a large sum of money which with interest now amounts to one hundred forty million dollars. The bank sent a representative to Foochow to negotiate for the settlement of the old debt. The representative called upon Chairman Chen at Shanghai and he is expected to enter into detailed negotiations with the Chairman about liquidation, after the Chairman's return to Foochow.

March 31, 1937.

Nanking Appropriates $300,000 for Relief of Kansu Famine Sufferers

The Central Government has appropriated a sum of $300,000 in bonds for the immediate relief of famine sufferers in the province of Kansu. The bonds have been mortgaged for $210,000 and the proceeds are being remitted to Lanchow immediately.

At a meeting of the Anhwei Provincial Government Committee in Anking, Apr. 2, it was decided to appropriate $6,000 for the urgent relief relief of the refugees in the districts of Liu-an, Tungcheng and Yosi, western Anhwei, which have suffered from the depredations of bandits.

Szechwanese Appeal to Nanking for Aid for Their Native Province

The Szechwan Fellow-countrymen's Association of Shanghai dispatched a delegation of three to Nanking end of last week to petition the Central Government for the issuance of $10,000,000 worth of bonds, the proceeds of which should be used for famine relief in Szechwan province.

Epidemics Sweep Kweichow as Result of Drought

As a result of the protracted drought, smallpox, diphtheria and other epidemics are raging in various parts of Kweichow. A heavy death toll has resulted. The price of rice and drinking water in Kweiyang continues to soar skywards. Dringing water sells at 10 cents per two barrels.

Hwai River Project to Bring Reclamation of 10 Million Mow

The gigantic Hwai River Conservancy Project which will make it possible for China to reclaim more than 10,000,000 mow of land is described in the *News Bulletin* issued by the China International Famine Relief Commission. The gigar tic size of the project is seen in tha. about 60,000,000 cubic meters of earth will be utilized to build dykes on both banks of the river. The unit cost of the project, including overhead expenses, is reported to be $10,000,000. The project is under the supervision of the Government's Hwai River Conservancy Commission.

The *C.I.F.R.C. News Bulletin* of April 1 stated that a total of $20,043.39 had been raised by the Income Production Department for the C.I.F.R.C. Fifteenth Anniversary Campaign up to March 25.

C. I. F. R. C. Drive to Raise $300,000 Launched at Nanking

Aiming to raise $300,000, the financial campaign of the China International Famine Relief Commission was launched at Nanking, April 6 by its Nanking Office at a tea reception given in honor of Dr. John E. Baker, Executive Secretary of the Commission, by several Chinese government officials and Nelson T. Johnson, United States Ambassador. On behalf of Wang Ching-wei, Chairman of the Central Political Council, Hsu Mo, Vice-Minister of Foreign Affairs, addressed the gathering. The commission, Mr. Hsu said, is an internationally-constituted, non-religious organization, and was the only nation-wide group to carry out famine relief and prevention work in a scientific way a decade ago before the Chinese Goveanment took up the task.

Heavy Rainfall Breaks Drought in Shensi

Fears of protracted drought in Shensi were dispelled by a heavy rainfall April 3. Rainfall was particularly copious in the districts of Fenghsiang, Hsienyang, Wukung and Changwu, in western Shensi; Tungkwan and Tali, in eastern Shensi; Tungkuan, in southern Shensi; I-chun, in northern Shensi; and many districts in central Shensi.

America to Install 16-Inch Guns in New Warships

Sixteen-inch guns will be adopted for the two United States battleships which will be laid down this summer, it was announced in Washington Mar. 27. The United States already has three battleships carrying 16-inch guns, namely, the *Maryland*, *Colorado* and *West Virginia*. *Reuter* stated that Japan's formal refusal to participate in the proposal to limit the calibre of guns to 14 inches did not cause any surprise in U. S. naval circles in Washington, although there was no formal comment.

Albert Warner wote in the New York *Herald Tribune*, Mar. 29, however, that the U. S. may retard the construction of ten cruisers in the hope that a new naval treaty will be reached.

Tokyo "Regrets" Inability to Limit Gun Caliber

In a note handed by Naotake Sato, Foreign Minister, to Sir Robert H. Clive, British Ambassador in Tokyo Mar. 27, the Japanese Government "regretfully" announced its inability to adhere to a limitation of gun calibers as provided in the new London Naval Treaty.

U. S. Prepares to Put Nation's Industries on War Basis

Plans have been drawn up by the American War and Navy Departments to place industry on a war-time production basis within 24 hours after a declaration of war. They provide for rigid federal, or centralized, control of the economic resources on which the country's fighting strength would be based. The plans include prohibition of profiteering, speculation and hoarding.

"Shanghai Mainichi" Says British Rearmament Will Obstruct Emancipation of Oppressed Asiatics

The danger of a war between the white and yellow races was forecasted by the *Shanghai Mainichi* in a recent editorial devoted to comment on Britain's rearmament program and the recently-completed military maneuvers held in Hongkong. British rearmament will obstruct the emancipation movement of the oppressed nations of Asia, and this will in time produce a terrible war between the white and yellow races, the *Mainchi* averred

Canada Will Cooperate With Britain in Naval Defense

W. L. Mackenzie King, Canadian Prime Minister, speaking in the House of Commons at Ottawa, Mar. 26 stated, "I doubt very much if the British Government will ever send an expeditionary force to Europe again, much less to Canada or any of the other Dominions." Mr. King told the Leader of the Opposition, R. B. Bennett, that Canada was not departing from the policy of Sir Wilfrid Laurier, the late Canadian Liberal statesman, of co-operating with Great Britain in naval defence.

New British Ambassador to Discuss Naval Issue at Washington?

Sir Robert Craigie, next British Ambassador to Tokyo, is spending several weeks in the United States. A recent *Domei* message from London surmised that Sir Robert would discuss the naval issue with American Government authorities.

Who's Who in China

T. K. Chao, Civil Engineer; born at Sungkiang, Kiangsu, Sept. 1, 1900; B. Sc., in Civil Engineering of Tangshan Engineering College, Chiaotung University; sent by the National Government to study Highway Engineering in Post-Graduate School, Cornell University, U.S.A.; secretary and instructor, Chiaotung University, Shanghai; Engineer, Shaokwan-Kiangchow National Highway Construction Bureau; Engineer, Bureau of Roads, Reconstruction Department of Kwangtung, Canton; "Chien Jen" Engineer, Ministry of Railways; Senior Engineer, Anhwei Provincial Reconstruction Department, Anking; Director, Bureau of Public Works, Wuchow Municipaliy, Wuchow, Kwangsi; Vice-Director and Acting Director, Bureau of Roads, National Economic Council, and Chairman, National Highway Traffic Commission, Nanking; author of "City Street Construction and Planning," "Simple Methods in Surveying of Highway Curves," "Roads and Road Transport in China;" address: Bureau of Roads, National Economic Council, Nanking, or 19 Kuling Road, Nanking.

趙祖康
T. K. Chao (Chao Tsu-kang)

趙祖康，江蘇松江人，年三十七歲，畢業于交通大學唐山學院得土木工程學士位，派赴美國入康乃爾大學畢業院研究道路工程，歷任上海南洋大學秘書兼教員，韶贛國道工程局工程司，廣東建設廳公路處技士，梧州市工務局局長，鐵道部荐任技士，安徽建設廳技正，現任全國經濟委員會公路處副處長代理處務及全國公路交通委員會常務委員，著有測量道路單曲綫簡法，市街之建築與計劃等書，通信處：南京估嶺路十九號。

Judge Helmick Urges Exercise of More Toleration in Y. M. C. A. Address

Judge Milton J. Helmick of the U. S. Court for China made an address at the Foreign Y. M. C. A. April 6, on "How Tolerant Should a Citizen Be?" He recommended that average citizens everywhere should cultivate tolerance and save their crusades for important and fundamental matters.

"In this International City," said Judge Helmick, "we find, if we are not mentally ossified, that we can live in amity and comfort with people of every nationality, race and creed. We may dislike some of each other's customs or habits or characteristics, and we may not understand others, but we discover that neighborliness knows no language. We soon learn that only fundamentals count and that humanity, after all, is pretty constant. We come to realize that most men and women of every blood are trying to get along in the best way they know and dreaming of better lives for their children. To abide with us, we summon, Faith, Hope and Charity—and the greatest of these is Charity."

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THE CHINA WEEKLY REVIEW
160 Ave. Edward VII, Shanghai.

In the United States Court for China

In The MATTER of A. C. ROW, BANKRUPT IN BANKRUPTCY	Cause No. 4151 Special Proceedings No. 2030 NOTICE Filed at Shanghai, China, The 8th day of Feb. 1937. William T. Collins, Clerk. L. T. Kenake, Asst. clerk.

NOTICE OF FIRST MEETING OF CREDITORS

To the creditors of A. C. Row, of Shanghai, China, a bankrupt:

Notice is hereby given that on the 5th day of January, 1937, the said A. C. Row was duly adjudicated bankrupt; and that the first meeting of his creditors will be held in he United States Court for China, at Shanghai, on the 26th day of April, 1937, at 2:00 o'clock in the afternoon, at which time the said creditors may attend, prove their claims, appoint a trustee, examine the bankrupt, and transact such other business as may properly come before said meeting.

April 8, 1937.

MILTON J. HELMICK
Judge.

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"Historical and philosophical subjects are discussed with equal ability, and altogether it is a very informing and entertaining account of all the chief aspects of the great change that has befallen China during the past century."—*Japan Chronicle.*

"CHINA'S POSTAL AND OTHER COMMUNICATIONS SERVICES"—BY DR. CHU CHIA-HUA, *Minister of Communications, 1932-35 (Ready in April)*

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LONDON PUBLISHERS: Kegan Paul, Trench, Trubner & Co., Ltd., 38 Great Russell St., W.C.

Men and Events

Seventeen American war vessels are expected to arrive here on April 10 from Manila. Most of them will proceed on May 4 to Chefoo, where they will remain for the summer.

Julean Arnold, American Commercial Attache, and Owen Lattimore, Editor of *Pacific Affairs*, proceeded from Canton to Hankow early this week to continue their investigations.

The death occurred in London Mar. 30 of Robert Moore Collins, who until 1907 was *Reuters'* chief correspondent in China. He also served as chief correspondent for the *Associated Press*.

On his was to Nepal, where he will start the filming of scenes related to the life of Buddha, Shinkyo Yamamoto, a student of Buddhist lore, was a visitor to Shanghai this week.

An exhibition of miniatures by Anatol Efimoff, the only miniature artist in the Far East, will take place April 15 at 5.30 p.m. at the International Arts Theatre, 55 Yuen Ming Yuen Road, Shanghai.

Hundreds of Japanese children, belonging to Buddhist schools in Shanghai marched from the Quinsan Children's Garden to the Rokusan Gardens, Chapei, last Sunday to commemorate the 2,505th anniversary of the birth of Buddha.

Detectives of the Shanghai Municipal Police are looking for Wong Ah-zai, office boy employed by the Dollar Company, who disappeared Mar. 27 with $1,600 in cash belonging to the firm. It is believed that he has left the city.

The twelfth annual meeting of the Meteorological Society of China was held in Nanking April 1. Over a hundred members and representatives of academic organizations were present. Dr. Chu Ku-chen, Chairman of the Society, presided.

J. K. Caldwell, U.S. Consul-General at Tientsin, and Mrs. Caldwell; R. P. Butrick, U.S. Consul in Shanghai, accompanied by Mrs. Butrick and children; and Sidney K. Lafoon, U.S. Vice-Consul at Tientsin, returned to Shanghai last week in the s.s. *President Jackson*.

Children's Day (April 4) was more widely observed in China than in any previous year. Telegrams received in Nanking from all parts of the country reported observance in Tientsin, Canton, Changsha, Anking, Peiping and many other cities, in addition to celebrations in the capital itself.

The sixth meeting of the Sino-Netherlands Commission for the administration of the Netherlands Boxer Indemnity Refund in connection with the conservancy of the Yellow River was held in Nanking, Apr. 3 under the chairmanship of Ma Chao-chun, Mayor of Nanking and Chairman of the Commission.

A gift of 200 ponies, selected from the best stables in Chinghai, will be presented to General Chiang Kai-shek, President of the Executive Yuan and the Military Affairs Commission. by Lieut. General Ma Pu-fang, Acting Chairman of the Chinghai Provincial Government. The horses are now en route to the Capital.

Mr. and Mrs. Harvey Pace Hall, Americans, according to a petition filed in the United States Court for China last week, are adopting a six-month-old Russian boy, son of Mr. and Mrs. Gabriel Markoff, who, according to the petition, do not wish to keep their son. Mr. and Mrs. Hall have had the boy since last October.

The University of Shanghai School of Commerce announces a series of ten lectures by Yngwe Laurell, Educational Director of the Royal Asiatic Society, on the subject of the Ethnographical Research Materials of China. The lectures are being given every Monday beginning this week at Room 209, Yuen Ming Yuen Road.

Recent advices from Kunming state that the demarcation of the boundary line between Yunnan and Burma by the Sino-British commission is nearing completion. The Chinese members removed their office to Pengshang on Mar. 27, where negotiations concerning the demarcation are being continued with the British authorities.

Following closely upon the abolition of the large crop of girl tourist guide societies in Shanghai, the Bureau of Social Welfare is planning to establish a Shanghai City Guide Office to give guidance to foreign tourists sightseeing in this city. The projected office, it is learned, will also publish a pamphlet called *The Shanghai Guide*.

Sir Frederick Maze, who has been appointed Counsellor to the Coronation Delegation, departed from Shanghai in the *Empress of Russia* April 4 to travel home via Canada. During his temporary absence from China on special duty, following the usual practice, the Chief Secretary (H. Kishimoto) will be in charge of the office of the Inspectorate.

Latest developments on the Suiyuan borders and the result of his interview with Gen. Sung Cheh-yuan, Chairman of the Hopei-Chahar Political Council, were reported in full to Gen. Chiang Kai-shek, President of the Executive Yuan, by Gen. Tang En-po, commander of the 13th Army in Suiyuan, immediately after his arrival from Peiping Mar. 21. Gen. Tang, who distinguished himself in the defense of east Suiyuan, left Pintichuan March 19 for Peiping, where he met Gen. Sung.

Practical jokers in keeping with the practises observed on All Fools Day, gave Dr. Hu Shih, China's famous philosopher, an uncomfortable time when they caused to be published in a Peiping newspaper a report that Dr. Hu had died. Dr. Hu spent almost the entire day and night answering telephone calls to prove that he was alive and well.

Channing Pollock, one of America's leading playwrights, was a visitor to Shanghai during the week. From here he proceeded to Peiping for a week's stay and then went on to Japan. He will sail for the U.S. from Yokohama on April 20, and will break his journey at Honolulu, where he is to deliver three lectures at the University of Hawaii.

H. J. Timperley, correspondent of the *Manchester Guardin* called on Dr. T.T.Li, director of the Intelligence and Publicity Department of the Waichiaopu, April 5 and informed the latter that he will shortly move his office from Shanghai to Nanking. Mr. Timperley has been for many years correspondent of several foreign news organs in China, and is now advisory editor of *Asia* Magazine.

The Nanking Board of Censors on March 31 banned the American film, "Theodora Goes Wild," because it was suspected that a servant in the picture who has a Japanese name is actually a Chinese. Although the Columbia distributor offered to cut all scenes in which this servant appeared, the Board of Censors was adamant and refused to pass the film. Irene Dunn is the star of the film.

Victor Keen, correspondent in China for the New York *Herald-Tribune*, returned to Shanghai this week from a trip to the district in northern Shensi province where the former Chinese communist troops are stationed. After traveling to Sian, capital of Shensi by train, Mr. Keen proceeded by motor truck to the town of Yennanfu where the leaders of the former-red forces have their headquarters. The trip required 2½ days each way.

Chang Chi, member of the C.S.C. proceeded last week from the Capital to Shensi to "sweep the tomb" of Huang-ti, (the first Chinese emperor) on behalf of the Central authorities on the occasion of the Chingming Festival. Other government envoys who offered sacrifices were Gen. Ku Chu-tung, Director of the Generalissimo's Provisional Headquarters in Sian, Gen. Sun Wei-ju, representing, the Central Executive Committee and the National Government respectively.

Julius A. Goldwater aged 29, an American by nationality, a Jew by birth and a Buddhist by religion, arrived in Shanghai last week on a pilgrimage to the Buddhist centers of the Far East from his home in Los Angeles. In an interview he said the vital thing which is furnished by Buddhism, and lacking in other religions, is "genuineness." In Los Angeles, Mr. Goldwater officiates as a priest for the 500 members of the Buddhist Brotherhood of Americans.

Mrs. S. F. Kwong, member of the national committee of the Y. W. C. A. in China, was the speaker at a large gathering of Rotarians, their wives and visitors at a tiffin meeting in the Metropole Hotel April 2. Speaking on "The Women of China," the Y. W. C. A. executive said that it was frequently stated that modern womanhood should return to the home. This did not apply in this country, however, for the women of China have never left their homes, she said.

A luncheon meeting of the American University Club was scheduled to be held on Friday, April 9, at the American Club, Shanghai. Guest of honor and speaker, was Dr. Chengting Thomas Wang (Yale '10) Ambassador-Designate to the United States of America. Dr. Wang is scheduled to leave for the United States to assume his new post aboard the Dollar liner *President Coolidge* on April 21.

Ivan Lee Holt, Jr., whose father visited in China recently as President of the Churches of the Federal Council of the Churches of Christ in America, will also visit this country in the near future. Young Holt recently was graduated from the Law School of the University of Chicago and following a tour of the Far East will practice law in St. Louis. Rev. Holt, Sr., is now pastor of St. John's Methodist Episcopal Church, South, in St. Louis.

At the 29th meeting of the Standing Committee of the National Bar Association held in Nanking Mar. 29 it was decided to prepare a memorandum dealing with the infringement on China's sovereign rights caused by the obsolete system of consular jurisdiction (extraterritoriality) and the improvements in the Chinese judicial system, for despatch to the International Bar Association and the World Comparative Law Society, with a view to drawing international attention to the desirability of abolishing the extra-territorial system.

A. Vespa, an Italian who came into prominence about a year ago when he "escaped" from Manchuria, and who claims Chinese citizenship, last week dropped proceedings against Dr. Baerensprung, German attorney, in the First Special District Court of Shanghai, as the result of a peaceful settlement. Mr. Vespa claimed that the said sum of money had been given to Dr. Baerensprung by Mrs. Vespa to hand to her husband. Dr. Baerensprung's contention was that when he landed in Tsingtao a Japanese constable took the money from him.

H. D. Pease of the U. S. Consulate General in Shanghai, and Mrs. Pease, departed this week for New York. They will visit relatives at Sacramento, California.

The Lolo princess Kao Yu-shih was scheduled to deliver an address on "My Land and My People" before the North China Branch of the Royal Asiatic Society April 8.

Roger S. Greene, director and trustee of the China Foundation for the Promotion of Education and Culture, returned to Shanghai this week by the s. s. *Empress of Japan*.

American Naval authorities in Honolulu, Apr. 5, revealed that Lieut. Joho Alfred Workman, Assistant Surgeon of the Medical Corps, had disappeared from the Dollar liner *President Polk* while the ship was en route from Kobe.

It was confirmed by the Tokyo Foreign Office last week that A. Morgan Young, editor of the *Japan Chronicle* (Kobe) from 1922 until last autumn, when he proceeded to England, has been refused a visa to return as full-time correspondent of the *Manchester Guardian*. The reason given is that his attitude toward Japan as manifested in his writings is considered unfriendly. The visa was refused in England. It was indicated that there is no possibility of reconsideration of the refusal to allow Mr. Young to return to Japan to take up residence. He is understood to be seeking assignment as a correspondent in China. According to a report from Tokyo Mr. Young will made his headquarters in Shanghai.

Gifford Ernest, a member of the staff of the *Chicago Daily News*, who is on a years vacation, is spending a month in China. In an interview in *The China Press* April 3, Mr. Ernest stated that he had just completed a survey of conditions in Soviet Russia, where had spent nine months. He expressed the opinion that, contrary to popular belief outside of Russia, Stalin, the man of steel, is not the dictator of Russia, but merely the executor of the policies laid down by the political bureau of the Communist Party. If Stalin deviates from the bureau's interpretations of the Communist ideals he would lose his position in no time.

A Disclaimer from Agnes Smedley

The Editor, *The China Weekly Review* :—

I am informed from various sources that many sensational articles have appeared in the press of America and China about myself. I have not seen these articles, but from what I hear they make many false and sensational statements connecting me, among other things, with the Chinese Communist Party, with the Communist International, or simply charging me with conducting "Communist propaganda." One photograph of mine appeared in an American magazine referring to me as "Mau Tse-tung's ally," and a recent short article in the *China Weekly Review* of Shanghai even stated that I was an "adviser" to the Red leaders.

These statements are utterly false. I am a free writer, writing freely and without direction from any individual or organization. For the time being I am living as a guest in the Soviet regions, collecting material for a new book. But neither now, nor in the past, have I had any organic connections with any Communist Party anywhere.

AGNES SMEDLEY.

Yennanfu, North Shensi, March 27, 1937

The Mar. 13 issue of *Liberty* contains an illustrated article by Upton Sinclar describing the adventures of Miss Smedley in this part of the world. It is entitled, "America's Amazing Woman Rebel in China." The writer describes her as a little-known Iowa school-teacher who has leaped to sudden fame as a fighting leader. Generally, the material in the article appears to be based on authoritative sources.

Report of Radio Corporation of America Shows Increased Activities During 1936

The 1936 report of the Radio Corporation of America shows that the gross income received by the Corporation from all sources (including both sales and services) amounted to $101,186,310 in 1936, compared with $89,228,898 in 1935—an increase of 13.4 per cent. The total cost of all operations for the year was $89,722,-151, compared with $78,885,740 in 1935—an increase of 13.7 per cent. These figures reflect not only an increased volume of business, but also higher wages paid to labor, new and larger taxes, increases in the cost of materials, and extra expenses incident to the Corporation's effort to maintain production during the labor difficulties which occurred in the third quarter of the year. The net income for 1936 before deductions for Federal Income Taxes, interest, depreciation, and amortization of patents and goodwill, was $11,464,159, compared with $10,343,159 for 1935 —an increase of 10.8 per cent.

Mention is made in the report that the radiotelephone service operated in Hawaii by the Mutual Telephone and Telegraph Company, and for which R.C.A. Communications, Inc. furnishes the necessary radio facilities, is being expanded to include direct service to the Philippines and Japan, and to ships at sea. Radiotelegraph rates for messages between San Francisco and Hawaii and the Philippines were reduced approximately 25 per cent.

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New Books of Interest in the Far East

Brilliant Expose of Forces at Work in Present Day Europe

And Fear Came. By John T. Whitaker—The Macmillan Company, N.Y. 273 pp. U.S.$2.50.

Newspaper work demands constant attention to detail. A newspaperman, and especially a foreign correspondent, must forever be on the lookout for a news "break," enabling him to beat his rivals. In this struggle to be the first to report a war, an assassination or a new appointment, a newspaperman rapidly loses his ability to deal with abstractions. Almost any good foreign correspondent can give an impartial and faithful report of an event; yet, few of them either understand or report social, political or economic trends of which these events are a product. This was palpably demonstrated by M. Vaughn, whose "Covering the Far East" exhibited a complete failure to see anything but the superficial features of the events he reported.

Not since V. Sheean has any newspaperman written a book as mature or as stimulating as John Whitaker's "And Fear Came." For the past five years, Mr. Whitaker has faithfully recorded for the *N.Y. Herald Tribune* the constant rumblings of the European volcano. During these years he has been where trouble was,—in Abyssinia, in Rome, in Vienna when the "Little Napoleon" Dollfuss bled himself unto death; in Geneva, when the Japanese flung the gauntlet into the face of the world; in Moscow, Berlin and Belgrade.

Yet, after these five years of constant pre-occupation with news, Mr. Whitaker has not only retained his ability to generalize, but has been able to weave his impressions into a pattern satisfactorily explaining the interplay of European and world forces. Many readers will probably refuse to agree with Mr. Whitaker's pessimistic conclusions or with his cruel analysis of the current political, economic and social forces. But none will be able to challenge the factual foundation of his generalizations or fail to admit that there "might be something" to Mr. Whitaker's conclusions.

Mr. Whitaker arrived in Geneva five years ago as a convinced believer in the League of Nations as an instrument capable of restoring peace in war-devastated Europe. Today, he is a disillusioned idealist, convinced that the League was "in essence an alliance of the 'have gots' against the "have nots' " organized by "peoples of substance and property" who drew up laws for the world community.

"I despised still the nationalism of the totalitarian state," says Mr. Whitaker, "but I began to examine the internationalism of the democracies. I looked first at Fascism. The Italian people, I thought, were tired after the World War. Rather than work out their social and economic problems, they embraced nationalism and accepted Fascism, a form of martial law for the maintenance of internal order. Were those of us who did not have ten governments in a single year any more courageous in the face of our problems? . . .

"The internationalism which the 'have nots' saw at Versailles was the internationalism of that tiger Clemenceau, who desired all his life to rend Germany limb from limb; the internationalism of Lloyd George, who fought the 'khaki election' to squeeze Germany, as he said, 'until the pips squeak'; and the internationalism of Wilson, who fought piously against the insertion in the League Covenant of a clause recognizing the racial equality of the Japanese and who vetoed Mexico from League membership. This was the 'internationalism' of the three great democracies. This was the order the imposed upon the 'backward' peoples who had resorted to 'Prussianism'.

"This democracy of Versailles was not good for Germany. It meant that, deprived of the colonies which gave her raw materials and denied the markets which would give her gold, Germany was called upon to pay astronomical reparation figures to keep the world safe for democracy. And the democratic governments Germany elected under a free parliamentary system in imitation of the United States, Great Britain, and France could not get her equality of treatment . . . Is it any wonder that when democracy was thus presented to Germany—impotence at home and hypocrisy abroad—the German people spewed it out and turned to the demagoguery and brutality of Hitler? Even the defeated Southerners organized a Ku Klux Klan against Yankee reconstruction.

"This democracy was not good for Japan either. Her population increasing rapidly, she had only two solutions; world markets which by multiplying her industries would absorb her population in urban centers, or territorial expansion which would remove her surplus to other lands. Markets were closed to her, however, by the financial and trade policies of the great democracies, emigration barred by their racial policies, and territorial expansion outlawed by the League Covenant and the 'good resolution' of Messrs. Kellogg and Briand. The Japanese with a desperation not unlike that of the Germans turned towards sweated labor and the disciplined brutality of the military caste . . .

"For the disinherited, unpropertied, 'have-not' peoples of the world, the spirit of Geneva is symbolized by the clause in the British Draft Disarmament Convention, whereby the pacifist-Democrat MacDonald proposed to prohibit bombardment from the air, 'except against native populations'."

Decision to write the book came to Whitaker when an Italian soldier, a mere boy, pulled out of his peaceful home and thrust into the heat and dust of Ethiopia, asked the American to answer a number of questions, the major of which was: "why do we fight?." The chapter on Mr. Whitaker's Ethiopian experiences is one of the most thrilling recitals of a newspaperman's adventures this reviewer has ever read. Equally entrancing are the chapters dealing with the Sino-Japanese clash in Geneva, the purge of Hitler's storm troops, the assassination of Dollfuss, the Danubian problems and Russia.

The book is unreservedly recommended as a mature, brilliant and courageous expose of forces at work in Europe, as a study of a man's intellectual growth, and, finally, as one of the most outstanding pieces of literature to be published in recent years.

M.

A Witty and Diverting Novel with Shanghai Theme

Juan in China, by Eric Linklater. Published by Jonathan Cape, London, 1937. 383 pages. Price, 7s. 6d.

"Juan in China" is like spring's first robin. It is among this year's pioneers in the field of light, fantastic reading which the considerate publishers circulate each spring to spare readers the necessity of thinking during the scorching summer months. Indeed, the less one thinks while reading Mr. Linklater's new novel, the more amusing do his absurdities become—and the more bearable his verbose but gently biting philosophizing.

After a faltering beginning in a California nudist colony, he novel soon settles in Shanghai during the Undeclared War of 1932. Juan Motley, a lineal descentant of Don Juan, we are told, comes to Shanghai with one Kuo Kuo a Chinese girl with whom he has been living in California and who has been stricken with a passion to save her native land from "the Little Dwarfs of the East Ocean".

In Shanghai a mildly adventurous story of Juan's and Kuo Kuo's experiences, replete with unexpected turns, is enfolded against the background, and often in the midst of, the Undeclared War. Familiar landmarks, and perhaps familiar characters, enable the Shanghailander to feel rather involved in Juan's half-mad exploits himself.

Mr. Linklater's main purpose is to be humorously entertaining, and in this he usually succeeds. Only when he attempts to be the world's wittiest of wits, and consequently sprains or fractures his funny-bone in the obvious effort, does his drollery invite that embarrassing and uncomfortable "dead pan" reception with which an Englishman often greets an American joke. Although painful at the moment, however, these strained passages soon are forgotten in the pages of good and sometimes scandalous fun which the author reveals in unraveling.

Unfortunately, the weakest character in the story is Juan, a young Don Juan by definition, but in reality afflicted with a petulant conscience which saves him from one of the more promising episodes of the book—sleeping with the Karamazov sisters, Russian Siamese twins. While Mr. Linklater in most instances puts him through his paces according to advance notice, Juan obviously resents it and at any time would have returned to his native England as happily as he does in the final chapter. Juan's too frequent outbursts of page-long dissertations on irrelevant topics also detract from his character and lead the reader to wonder whether the author might not have found a less damaging means of inserting his unimportant little essays, or better yet, have omitted them altogether.

The author's remaining characterizations, of personalities notoriously typical of Shanghai, are excellent—but admittedly not flattering. His analysis is biting, although fortunately tempered with a benevolent and forgiving outlook which reveals kindly amusement rather than malice as his motive. As a movie, however, "Juan in China" certainly would never pass our various and thin skinned censors, neither foreign nor Chinese, for the author, in his delightful mockery, has removed and examined the padding from a number of stuffed shirts.

Mr. Linklater's style might be described as vigorous.—Sometimes, because of his regrettable habit of catalogueing fifteen or twenty similies when one would suffice, he pounds upon a good point until it falls to pieces. His descriptive passages, particularly of his characters, may be distorted, but expressive. Mr. Flanders, whom we first encounter in the Shanghai Club, for example, "stood proudly behind his enormous paunch. It was no mere pudding-basin of a paunch, no petty tumescence or adventitious hummock of fat; it was a rolling down, a Border hill that marched from his broad chest to a broader top, and from there declined steeply, but not without dignity, to the spacious anchorage of an heroic pelvis. It was a truly noble paunch. It was far more than the simple consequence of a hearty appetite. It was a monument to his spirit, and a testimonial to the strength of his back. It was a paunch that made one think not of greed but of grandeur, not of gluttony but of the profusion of earth and the magnanimity of humankind."

Only once does the author lose the spirit of his book, when he soberly wonders why someone couldn't discover the cause for

the Shanghai War and settle the entire affair peacefully. The facts all were at hand, he observes, so why couldn't some judicious person or committee affix the guilt and order the proper penalties, thus halting the bloodshed. The very question, however, threw the author back into his proper and delerious frame of mind to continue the story.

Mr. Linklater has contributed an important but highly entertaining novel for dreary summer days, particularly interesting to those familiar with Shanghai.

R. T. B.

A Fresh Interpretation of English Poetry

Shelley, and Other Essays. By George H. Cowling. Melbourne University Press, in association with Oxford University Press, Melbourne.

Shelley, even as a boy it seems, sensed the struggle of the intellectual war against social, political and religious wrong; and as he delved into life in later years he entered into the struggle and it lasted until the hour of his death. His career as can be noted from his immortal poems was dominated by pure motives and he always strove for truth, justice and freedom—although it is not too much to say that his life was generally one of pain and strife, with but little peace and quietude. His contacts with religion were as futile as his contacts with his loves and left him forever seeking perfection in both. This discontentment and the "fire of rebellion which burned unquenchably within him" drove him constantly into new fields of endeavor. The works he left behind for our wonder and delight are the natural result of a great inner force—"a genius in this case of an almost incomprehensible magnitude." The author in a unique style gives us Shelley, the adolescent, and Shelley, the schoolboy.

The youth who is contemplating taking up Shakespearean comedies, and the adult alike, will find in the author's essay on Shakespearean Comedy "an original attempt to formulate the rules of comedy as Shakespeare conceived them;" and in his essays on "Milton's Paradise Lost" and "Virgil in English Poetry" a fresh interpretation of literary history.

M. P. W.

Non-Party Review of Problems Facing Imperial Conference

An authoritative non-party review of political and economic problems facing the Imperial Conference is given in a new book, "The Empire in the World," by Sir Arthur Willert, formerly head of the News Department of the British Foreign Office, and two other authors, B. K. Long, late editor of the *Cape Times*, and H. V. Hodson, editor of the quarterly "Round Table."

The book, edited by E. Thomas Cook, is published by the Oxford University Press. The keynote of the work is the need for the planned development of an Empire policy.

Sir Arthur Willert, dealing with foreign policy urges that the British Commonwealth of Nations should boldly assume world leadership to create a collective security system in Europe under the aegis of the League of Nations.

The democratic Powers would be the nucleus of this system, in which Germany, Italy and other nations now unsympathetic towards the League, would be cordially invited to participate.

An essential preliminary would be an undertaken by the satisfied countries of Europe to examine with the utmost sympathy the grievances of the dissatisfied nations. This, Sir Arthur considers, constitutes the only real chance of stopping the armaments race and achieving security and prosperity.

He describes the problem of imperial defence as terribly urgent, but points out that armaments alone are not sufficient for preparedness.

The good organisation and distribution of news abroad is equally essential, he states.

He cites the progress of foreign propaganda—especially Japanese, German and French—distributed by state-subsidised news agencies for which there is no British equivalent.

Reuter, he declares, "is the only big news agency in the world which is given no help by its Government in the business of distributing the news of the nation to which it belongs, or, to put it the other way round, Britain is the only Great Power that has not given practical recognition to the value, in these days, of keeping the large-scale distribution of its national news in the hands of its own nationals."

Sir Arthur Willert does not propose that there should be a state-controlled British news agency, but advocates that the Governments of the Empire, especially the London Government, should extend to "*Reuter* and any other British agency which could qualify for assistance," facilities for cheap wireless transmission.

"Unless something is done soon, British news distribution throughout the world will be permanently damaged, and with it British prestige," he concludes.

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Opium Menace in the Far East Discussed in "Foreign Policy Reports"

Frederick T. Merrill discusses "The Opium Menace in the Far East" in the Mar. 1 issue of *Foreign Policy Reports* (8 West 40th St., N.Y.). The author says all countries in general and the United States in particular are vitally concerned with conditions in any section of the world which threaten the effective international and local control of narcotics.

It is stated that the success of China's latest efforts to combat the opium problem, which are embodied in the "six year plan" for the suppression of opium, is dependent on the Nanking Government's ability to enforce its laws in general, its willingness to enforce the opium regulations in particular, its progress in reorienting its agricultural economy away from opium, and its readiness to eliminate opium revenue as a source of public and private income.

Mr. Merrill says Japan's official apathy in controlling the illicit drug traffic of its nationals in Fukien, North China and Manchukuo is at variance with its successful suppression of the drug menace among its own people. Based on a system of "centralized control," Japanese police authority is notably effective. It thus seems incredible that Japan has made no progress in suppressing the drug traffic in those parts of China and Manchukuo over which it has de facto or de jure control. Because the Chinese people generally believe that the Japanese government encourages this traffic with the deliberate intention of weakening the Chinese race, hatred of Japan has become more bitter. That Japan is, to a great extent, responsible for and is wholly capable of cleaning up the drug situation in Manchukuo and North China is a belief held by many members of the Opium Advisory Committee and by world opinion at large.

"Foreign Policy" Writers Discuss the Rising Tide of Armament

The Feb. 15 issue of *Foreign Policy Reports* contains a discussion of "The Rising Tide of Armament" by William T. Stone and Helen Fisher. The authors state that in a period which has witnessed the conquest of Ethiopia, the military reoccupation of the Rhineland, the outbreak of civil war in Spain and the passing of the Washington and London naval treaties, it is not surprising to discover that there has been a sharp acceleration in the world's military preparations since the fall of 1934. Few, however, realize how far the trend has gone. In two years the world expenditure for military purposes has more than doubled, rising from a total of about 5 billion dollars in 1934 (a figure well above the 1913 level) to almost 11 billion in 1936.

Since March 1935 Germany has occupied the central position in the European armament race. The decrees of March 10 and March 16, 1935, creating the new air force and reviving universal military service, inaugurated a rearmament campaign without precedent in modern times.

Far Eastern Survey Discusses the Finances of Manchukuo

Following the celebration of its fifth anniversary on Mar. 1, Manchukuo is beginning a new period in which the inauguration of an ambitious five-year program of economic development will put her hard-won financial stability to a severe test, according to the *Far Eastern Survey* of the American Council, Institute of Pacific Relations. Despite the prevailing pessimism at the time of the creation of the Japanese-supported regime in Manchuria, developments of the last few years have successfully demonstrated that not only could Manchukuo continue to exist but that it could make considerable progress, asserts John R. Stewart, contributing research associate, in an exhaustive report on the financing of the new state. "Aside from the question of actual or theoretical independence, the important point is that the fears and doubts based upon the disturbed conditions of 1932 have been disproved."

"Chinese Mercury" Established at Columbia, Missouri

The Chinese Mercury, a quarterly journal for the world's English-reading public (with press comments) has been established in Columbia, Missouri, by Yi-siang Chow. In a foreword the aim of the journal is stated to be to promote a deeper and clearer understanding between China, America and other countries. There are special articles by Frank L. Martin, A. N. Holcombe, Lin Lin, Vernon Nash, Maurice Votaw, Lorence Binyon, Nan Wei Cheng, Carl W. Bishop, Will W. Lee, Oswald Siren, James Chen, Hu Shih, Katherine Williamson, Grace Chao, and Resurreccion Drilon; also extracts from the world's leading newspapers.

New Fortnightly Journal Established in Peiping

The first issue of *Democracy*, a new fortnightly periodical of fact and opinion, is to make its first appearance in Peiping this week. Several members of the Yenching Community and Dr. Spencer Kernard, former publisher and editor of the *Christian Graphic* in Japan, are included in the Boards of Trustees and Editors.

"Amerasia"—A New Monthly Magazine

Amerasia, a new monthly magazine, has been established at 125 East 52nd St. N. Y. Its purpose is to provide a forum for the expression and clarification of ideas concerning America's participation in Far Eastern Affairs. The editors are: Frederick V. Field, secretary to the American Council of the Institute of Pacific Relations; Philip J. Jaffe, American business man interested in the Far East; T. A. Bisson, Far Eastern expert for the Foreign Policy Association, Ch'ao-ting Chi, lecturer at the New School for Social Research, and author of Key Economic Areas in Chinese History; Kenneth W. Colegrove, Professor of Political Science at Northwestern University; Owen Lattimore, editor of *Pacific Affairs*, and author of numerous works on Manchuria and Mongolia; Cyrus H. Peake, lecturer in Chinese at Columbia University, Robert Karl Reischauer, lecturer in the School of Public and International Affairs at Princeton University; and William T. Stone, Vice President of the Foreign Policy Association.

Spanish Insurgents Publish Propaganda Photographs

The Spanish insurgent government has issued propaganda photographs of a gruesome nature showing victims of the present war in Spain. An introduction, addressed to the civilized people of the whole world, reads "See how the hordes of Caballero kill the men, outrage the women, wreck works of art and offend every sense of decency. Soviet bombs and Soviet gold help the reds to wage merciless warfare."

Industrialization in China Discussed in Political Science Quarterly

Contrasts in the Progress of Industrialization in China and Japan are discussed in the March issue of the *Political Science Quarterly*, published by Columbia University, New York. The author says political instability in the nineteenth and twentieth centuries has been a hindrance to industrialization in China. Japan's economic position was discussed by the author in previous publications.

Carnegie Endowment Report Contains References to Work in the Far East

The annual report for 1936 of the Division of Intercourse and Education of the Carnegie Endowment for International Peace, by Nicholas Murray Butler, director, is contained in a brochure of 68 pages. In addition to studies in other parts of the world there are several pages devoted to work in the Orient. Reference is made to Tsunejiro Miyaoka, for many years closely associated with the Endowment's work. It is stated that his regular reports to the Director contained not only his own personal deductions but clippings from many newspapers in Japan discussing questions editorially and in special articles. This information, it was stated, was of the greatest value to the Director in aiding him to shape the policies of the Endowment.

In addition to the labors connected with the calling, planning and holding of an international conference the American Council of the Institute of Pacific Relations (the report says) has continued its work of education through a new course on Pacific Relations for which a teaching syllabus was published, through the preparation and wide distribution among women's organizations and commercial circles of a number of pamphlets dealing with Pacific problems, through the issuance of bioliographies on Far Eastern questions as a suggested reading list for the traveler or sojourner in China and through a service of information to specialists who in turn serve a wider group. The council has also produced a film, "China's Gift to the West," which is accompanied by a syllabus.

Thirty Cases of Opium Seized by Customs Preventive Service at Amoy

The Customs preventive staff at Amoy middle of last month seized 30 cases of opium which had arrived from Hongkong by the s.s. *Hongsang*. The cases had been tightly wound with grass and had been pitched overboard when the vessel reached the outer harbor. Sampans carrying the cargo were intercepted by the Customs officers, who had received an intimation of the attempted smuggling maneuver.

Shanghai District Court Imposes Heavy Sentences in Narcotic Cases

On Mar. 31 the First Special District Court in Shanghai resumed the imposing of sentences in narcotic cases, following the Easter holidays. The court was swamped with heroin cases in particular. Nine of the prisoners were given terms of imprisonment ranging from a few months to thirteen years.

Peiping College Student Arrested for Smoking Opium

Two opium smokers were arrested in the western section of Peiping Mar. 30. One of them was found to be a student of a certain college in the former capital.

Foreign Minister Sato Says League Covenant Makes New Alliance Difficult

Replying to a question in the Lower House Budgetary Committee meeting Mar. 23, Naotake Sato, the Foreign Minister, declared that whilst there are not lacking both in Japan and Great Britain proponents for a revival of the Anglo-Japanese Alliance, the question was an extremely grave one and needed careful and honest study. Mr. Sato expressed the opinion that the provisions of the League Covenant made it very difficult for talk of a revival of an alliance between Japan and Great Britain. Further statements made it evident that Japan has no intention of reviving the alliance. He thought, however, it would be a very happy augury indeed if the two Island Empires could find more common ground further to promote their friendly relations.

The statement made by Naotake Sato regarding the Anglo-Japanese alliance was immediately featured by the Japanese newspapers, *Asahi* and *Nichi Nichi*. Pointing out that the negotiations between Australia and Japan have reached a happy compromise while those with India and Burma are still hopeful, but that the disarmament and immigration problems are not so easily negotiable at the present time, the *Asahi* expressed the opinion that the problem of co-operation in China becomes the key issue.

"It is worthy of note," the newspaper added, "that the British Government's intention to rebuild and re-examine relations between Britain and Japan has been shown by shifting Sir Robert Clive who, it is openly charged, impeded the growth of good feelings between the Japanese and British people."

On the other hand, the *Yomiuri*, declaring that the advance of British capitalism in China has lately been spectacular, asserts that the British "have advanced from the sphere of economic propositions to a military agreement with China."

The Conservative *London Morning Post* Mar. 27 said that Mr. Sato's speech is as encouraging as any that had yet been delivered in Japan. It assured the Japanese Foreign Minister that his desire for British friendship was reciprocated, and that a rapprochement between Great Britain and Japan would be the happiest possible outcome to the unsatisfactory relations of the past few years.

Difficulties in the realization of the restoration of the Anglo-Japanese Alliance, as advocated by Naotake Sato, Japanese Foreign Minister, in a speech in the Lower House on Mar. 23, were seen by the *Ta Kung Pao* in an editorial Mar. 25 commenting on the new trend in Japan's foreign policy. The journal declared that one of the main points in Mr. Sato's foreign policy was to improve her relations with the Anglo-Saxon nations, but since the United States was adopting an attitude of aloofness in Far Eastern Affairs, it was natural that Japan should turn her attention to Great Britain.

If Anglo-Japanese friendship should materialize, the journal remarked, there should be points of agreement between the two countries regarding the Far Eastern question, for example, the upholding of the Nine-Power Pact. This, however, the daily said, runs counter to the general atmosphere in Japan, and the Far Eastern problem, as a result, may be modified, but not settled.

The *New York Times* April 2 stated it had learned from an absolutely reliable source, that President Franklin D. Roosevelt would submit a proposal to the large world powers that a general disarmament conference be summoned for this coming summer at Copenhagen.

Seven Thousand Boy Scouts Reviewed by Gen. Sung Cheh-yuan in Peiping

More than 7,000 Boy Scouts representing 100 municipal and private middle and primary schools in Peiping, were inspected by General Sung Cheh-yuan, chairman of the Hopei-Charhar Political Council, in the grounds of the Fourth Municipal Middle School in Peiping, Apr. 4. Lei Tzu-shang, Director of the Bureau of Social Welfare of the Municipality, presided.

Ministry of Education Inspectors Investigate North China Schools

Messrs. Hsieh Shu-ying and Liang Ming-chih, inspectors of the Ministry of Education in Nanking, who have been investigating various Government and private universities in Peiping, inspected Tsing Hua and Yenching Universities Mar. 31. The previous day they visited the National University of Peking.

Many Chinese Students Arrested by Japanese in Luantung

Under the pretext of the so-called Joint Red-Defense drive, the Japanese on April 2 arrested more than 20 Chinese students in Tungchow and Tangshan. Considerable consternation was caused by the Japanese action among the Chinese students in North China.

Competitive Examination Held Under Auspices of British Boxer Board

The fifth annual competitive examination for scholarship students to England under the auspices of the Sino-British Boxer Indemnity Board was held simultaneously in Nanking and Peiping April 4. More than 200 candidates participated.

Divisional Military Heads Assemble in Tokyo to Discuss "China Problem"

The "grave nature" of the so-called "China problem" and the tense situation existing between Japan and Soviet Russia were emphasized in a speech made in Tokyo April 6 by General Gen Sugiyama, War Minister, at a conferences of divisional commanders. General Sugyiama, delivering the opening address of the three-day deliberations, expressed his regret that "the gravity of the situation is not yet fully realized by the people." The replenishment of national defence, he declared, is designed to cope with the international situation, and especially with Soviet Russia's "vigorous policy" in the Far East. The Army's program, he said, would prevent war and safeguard lasting peace in East Asia by maintaining an equilibrium in armaments and successfully realizing joint national defence of Japan and Manchukuo. General Sugiyama urged the divisional commanders to co-operate in the enforcement of stricter discipline and consummation of solidarity in Army ranks.

Japanese Finance Minister Urges Readjustment of Sino-Japanese Relations

A readjustment of Sino-Japanese relations is essential to the solution of the economic and financial situation now confronting Japan, Toyotaro Yuki, Finance Minister, stated in a general discussion of governmental policies during a press interview in Kyoto, April 6. "It is sincerely to be hoped that economic co-operation in North China will be achieved by means of a real mutual understanding between the two peoples," Mr. Yuki said. Military circles, the Finance Minister asserted, shared the same desire. That is why I believe that the visit to China of the Kodama Mission was significant," he added.

Tokyo to Station Financial Commissioner in Shanghai

Decision to station a financial commissioner in Shanghai to aid in achieving Sino-Japanese economic co-operation was reached by the Tokyo Finance Ministry, April 7. The appointment of a new official this summer will re-establish the commissioner's office, closed two years ago.

Mitsubishi Firm to Build Foochow Waterworks

A contract for the construction of a modern waterworks in Foochow was signed April 5 by a representative of the Mitsubishi Company and the Construction Department of the Fukien Provincial Government. Winning of this contract by the Mitsubishi firm in competition with European interests is considered a great success for the Japanese enterprise, the *Shanghai Mainichi* of April 7 stated.

Spaniards Abroad to Be Mobilized—Exemptions Cancelled

A *Reuter* message from Paris April 6 stated that Spanish consulate in Paris had issued a mobilization order for all Spaniards, 1932-1936 classes, irrespective of the length of their residence in France. All previous exemptions to Spaniards living abroad have been cancelled.

An interesting point arises in connection with Spaniards in Shanghai, the principal Spanish colony being the employees of the Hai Alai sporting organization. Spaniards have now lost their exterritorial rights and are subject to Chinese jurisdiction. If the mobilization order is extended to China it would seem that the Spaniards here would not be obliged to obey it if the Chinese Government decided to take no action in the matter.

China-U.S. Radiophone Service to Start End of This Month

The radiophone service between China and the United States is expected to be inaugurated by the end of this month. The result of trial communications by radiophone conducted between said two countries following the completion of all preparations by the International Radio Station at Chengtu, the International Radio Administration and the Telephone Administration of the Ministry of Communications is said to be quite satisfactory.

Meantime negotiations are understood to be in progress with Germany and Great Britain for the installation of radiophone service between China and those two countries.

Movements and Appointments in Diplomatic and Official Circles

Liu Chung-chieh, Minister to Austria since October, 1935, has been relieved of his post by the Ministry of Foreign Affairs. Tung Te-chien has been appointed Charge d'Affaires of the Chinese Legation at Vienna.

The appointment of Gen. Chu Shao-liang, formerly Pacification Commissioner for Kansu, to the post of Chairman of Kansu to succeed Gen. Yu Hsueh-chung was gazetted in a National Government mandate issued Mar. 31.

General Feng Yu-hsiang, Vice-President of the Military Affairs Commission, who is visiting his native village at Chaohsien, central Anhwei, last week telegraphed to the Central authorities applying for a further leave of 20 days.

Chu Cheng, President of the Judicial Yuan, inspected the Hopei Provincial High Court at Peiping April 1. He was entertained at a luncheon by Teng Che-hsi, President of the Court.

The *Shun Pao* April 2 stated that as the situation in Szechwan is now cleared up, T. V. Soong has decided to start his trip to said province within a week's time.

The *Shun Pao* April 2 stated that the military attache of the American Embassy left Peiping April 1 on an inspection tour in Pailingmiao, Tamiao and other districts in Suiyuan. The American officer will also travel to Outer Mongolia and is expected to return after two months' time.

Gen. Chang Chun, secretary-general of the Central Political Council, will leave for Europe and America in May for an investigation tour.

General Yu Han-mou, Pacification Commissioner for Kwangtung, despatched Generals Hsu Ching-tang and Chang Yuan-nan to Hongkong to greet Dr. H. H. Kung, Special Ambassador to the Coronation of King George, on his arrival in there enroute to England.

General Chiang Tso-pin is the possible successor to Dr. Cheng Tien-fang, Chinese Ambassador to Germany, according to an unconfirmed report in Nanking, April 4.

Wang Yung-ping, Minister of Justice, made an inspection tour of northern Kiangsu week. Mr. Wang paid special attention to the new district courts.

The National Government in a mandate April 5 relieved Liu Chung-chieh, Minister to Austria, from his post.

Lieut.-General Shangkuan Yun-hsiang, Commander of the 1st Route Army, returned to Nanking from his European tour April 4. He called on General Ho Ying-chin, Minister of War, to report on the results of his investigations abroad. He will submit a written report to the Military Affairs Commission later.

Gen. Francisco J. Aguilar, the first Mexican Minister to China, arrived in Shanghai from Japan via Peiping April 3. Gen. Aguilar is concurrently Mexican Minister to Japan.

Constantin Yurenev, Soviet Ambassador to Tokyo, departed from Moscow on his return to Tokyo last week.

Among the changes in the organization of the Ministry of Finance announced April 3 was that Dr. O. C. Lockhart, hitherto Associate Chief Inspector of Salt Revenue, becomes Associate Director General of Salt Revenue. Ma Tai-chun, Section Chief of the Salt Administration, was appointed Acting Director of the Salt Affairs Department.

Signor Stefani, Italian Advisor to the Ministry of Finance, arrived in Nanking April 1. His service will be terminated after a period of four months, the *Ta Kung Pao* of April 3 stated. Signor Stefani, in an interview at Nanking, said what he was trying to do for China is to effect closer connection between the people's economy and the Government finance in order to complete the reconstruction enterprise. Investigations will be made prior to the drafting of any proposal for the Nanking Government regarding its reconstruction work, he said.

D. V. Bogomoloff, Soviet Ambassador to China, proceeded to Nanking this week to pay his first official call on Dr. Wang Chung-hui, Minister of Foreign Affairs.

Judge Helmick Grants Divorce to American Woman Married to Chinese

Judge Milton J. Helmick granted an American woman, Mrs. Te-chih Wang, a divorce from her Chinese husband on Mar. 31. The divorce was granted on the grounds of mental cruelty and was not contested. The pair had been married four years, the coeremony taking place in New York. In her deposition to the United States Court for China Mrs. Wang stated her husband refused her an English-speaking servant, that she was forced to live two hours' distance from Chungking and that her husband was tight with his money, although he continued to support his brothers and their families. Mrs. Wang also got a divorce according to Chinese law in the Shanghai District Court April 7.

New City Hospital at Civic Center Opened—Chinese Medical Association Meets

The formal opening of the new City Hospital and Municipal Laboratory under the City Government of Greater Shanghai at the Civic Center featured the third day of the fourth biennial conference of the Chinese Medical Association in session in Shanghai this week. O. K. Yui, Acting Mayor of the City Government of Greater Shanghai, presided at the ceremonies and traced the history of the founding of the hospital. He paid special tribute to Aw Boon Haw, Chinese millionaire philanthropist in Singapore, who contributed a large portion of the funds for the equipment of the Municipal Laboratory. Gen. Wu Te-chen, the outgoing Mayor and newly appointed Chairman of the Kwangtung Provincial Government, expressed deep gratification over the completion of the hospital, saying that he hoped it would be only the beginning for a big medical center in the Kiangwan district. Other speakers included Dr. J. Heng Liu, Director of the National Health Administration and Dr. Li Ting-an, Health Commissioner for Shanghai.

Madame O. K. Yui performed the ribbon-cutting ceremony which marked the opening of the hospital and laboratory.

Chinese Medical Association Holds Fourth Biennal Conference

Upwards of 1,000 doctors from all parrs of China participated in the fourth biennal conference of the Chinese Medical Association held in Shanghai this and last week. At a reception held at the International Club April 1 the guests were received by Dr. W. S. Fu, Chairman of the Executive Committee of the association; Dr. Tsefang F. Huang, President of the Shanghai branch; Dr. T.K.M. Siao, Chairman of the Entertainment Committee, and the health commissioners of the City Government and two municipalities. Dr. J. Heng Liu, Director of the National Healsh Administration addressed the session in the National Medical College, Feng Lin Chiao, April 2 on the topic "Our Responsibilities." Presidential addresses were made by Dr. H. P. Chu, President of the Association, and Dr. T. Q. Chou, President of the Chinese Physiological Society. The delegates were entertained at lunch by the National Medical College, of which Dr. Chu is Dean, and Tung Chi University, of which Dr. T. L. Ong is President.

Dr. Max Cutler of the Michael Reese Hospital in Chicago, gave a series of lectures on cancer at the Sino-Belgian Radium Institute located in the Sacred Heart Hospital in Yangtszepoo. More than 600 delegates to the conference of the Chinese Medical Association were guests of Dr. Shinzo Shinjo, Director of the Shanghai Science Institute, Route Ghisi, at a tea party, April 2.

Five Scientific Societies Inaugurated

Five scientific societies, new autonomous sections of the Chinese Medical Association, have been formally inaugurated, it was announced by officials of the conference. The new organizations are: the Chinese Surgery Society, with Dr. W. S. New as president; the Chinese Otolaryngology Society with Dr. A. M. Dunlap as president; the Chinese Radiology Society with Dr. C. K. Hsieh as president; the Chinese Tuberculosis Society with Dr. T. P. Wu as president and the Chinese Dermatology Society with Dr. F. K. Chen as president. It is explained that the main functions of the societies will be to conduct discussions at the regular conferences of the association and will have the right to admit members. The divisions are new in China, but unlike those in foreign countries they will have all their activities coordinated and incorporated in the single framework of the Chinese Medical Association.

German Woman Asks $145,000 Damages from Shanghai Foreign Settlement

A suit for $145,000 damages brought by Mrs. Wilhelmina Elizabeth Schneider, German woman living in the Race Course Apartments, against the Shanghai Municipal Council, was heard this week by the Court of Consuls, of which C. E. Gauss, American Consul-General is presiding judge, the other members of the Court being J.W. Davidson, acting British Consul-General, and T. Kawai, Japanese Consul-General.

In her evidence, the petitioner stated that on the afternoon of August 20, a foreign officer of the Fire Brigade came to her flat, and requested permission to carry out fire drill at the Race Course Apartments, and she gave her permission for fire drill to be carried out. The fire engine was then parked in front of Race Course Apartments, and the firemen started to raise the ladder into the building. Watching from a window, she had just placed herself before the dressing table, and was glancing through the window when she was struck on the left cheek by a heavy piece of fire apparatus, as a result of which she was permanently distigured.

Evidence was given by members of the Fire Brigade which showed that a ladder which had been put up alongside the building had slipped and as a result a hose coupling had become loose and fallen down. It was mentioned that the apparatus in question was of German-make.

A piquant feature of the proceedings on April 7 was that Ranald McDonald, British barrister, leading counsel for the plaintiff, walked out of Court in protest against a remark by Mr. Davidson that his method of cross-examination was a waste of time.

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1936—37 High	1936—37 Low	Div. $ per sh.	STOCK	Last Sale Apr. 5	Last Sale Apr. 6
22⅜	9⅝	0.55	Adams Express	20¼	21
83½	35⅜	1.50	Allis Chalmers	66⅜	63⅝
137½	105⅝	4.00	American Can	108⅝	108½
40⅜	29¼	0.00	Amer. Cyanamid "B"	30⅜	31⅜
12⅜	6½	—	American & For. Power	11	10⅝
68⅜	29⅜	—	American & Foreign Pwr. $7. pfd.	58½	58½
29½	18⅜	0.60	American Radiator	25	24⅝
190⅛	149½	9.00	American Tel. & Tel.	172	171
104	81¼	5.00	American Tobacco "B"	83½	83
29½	19⅛	0.80	American Waterworks	22½	22⅜
69¼	28	1.00	Anaconda Copper	61⅜	60
88½	59	2.00	Atchison, T. & S. Fe	79¾	81
54¼	26⅝	—	Auburn	30⅝	31
39⅜	15⅜	—	Baltimore & Ohio	37¾	36⅜
104⅜	45⅜	1.50	Bethlehem Steel	97	95
49½	16⅜	—	Boeing Airplane Co.	40¼	40
17⅜	10⅜	—	Canadian Pacific Railway	15	14½
186	92¼	4.00	Case, J. I.	153½	153
100	59	3.00	Chesapeake Corp.	32	85⅜
77¾	51	2.80	Chesapeake & Ohio	61⅜	61⅜
138¾	85½	12.00	Chrysler	123¼	123¼
23⅜	14	0.60	Columbia Gas Electric	15⅛	15¼
24⅝	14¼	0.60	Coml. Sovents	17⅜	17⅛
5½	2¼	—	Commonwealth & Southern, ord.	3½	3
49⅞	27¼	2.00	Consolinated Edison	39⅞	39½
17¾	11½	0.80	Consolidated Oil	17¾	17⅝
45¼	28⅜	1.00	Continental Oil	45	45
82½	63⅝	3.00	Corn Products	66	65
82¼	50⅝	—	Douglas Aircraft	58⅝	58
184¾	133	6.10	Du Pont de Nemours	158¼	157¼
28	15⅜	—	Electric Bond & Share	21⅛	21½
64½	34½	1.00	General Electric	56¾	55⅝
44¼	33⅝	2.00	General Foods	42½	12¾
77	53⅜	4.50	General Motors	61⅝	61
65⅛	22¼	1.00	General Railway Signal	62⅝	52⅝
49⅞	13⅝	1.00	Gold Dust	47	46⅝
46⅛	21⅝	0.50	Goodyear Tire & Rubber	43½	43⅛
86¾	57	1.00	Humble Oil	82⅛	80
72⅞	43¼	1.60	International Nickel	67⅞	66½
19¼	11¼	—	International Tel. & Tel.	12⅝	12¼
68¾	28¼	1.70	Kennecott	60⅝	59¾
82	43	2.00	Loew's Inc	82	80
28⅝	21¼	1.20	Lorillard	23⅝	23½
103	79	1.70	Monsanto Chemical	91⅝	91
68⅜	35¾	2.00	Montgomery Ward	59⅞	60
37⅜	27	2.19	Nat. Bond Investment	27½	27⅜
28¼	21	1.20	National Dairy Prods.	24¼	24⅛
34¼	25⅜	2.00	National Distillers	33¼	33½
14⅜	9⅝	0.60	National Power & Lt.	11¼	11⅜
54¾	27⅜	—	New York Central	50¾	49¾
36⅝	23⅜	1.00	North American	26	25½
41	30¾	2.00	Pacific Gas & Electric	32⅛	32⅛
58¾	44	3.00	Pacific Lighting	45⅝	47
13⅜	6⅜	0.45	Packard Motors	10⅞	11
49⅞	28¼	2.00	Pennsylvania Railroad	47¼	46½
58⅝	38⅛	2.50	Phillips Petroleum	58⅝	58½
52¾	39	2.60	Public Serv. of N. J.	45	44½
14¼	9¾	—	Radio Corporation of Amer.	10⅝	11½
60½	50	3.00	Reynolds Tobacco "B"	51¼	51¼
55⅝	37⅜	3.00	Schnley	48½	47⅜
101½	59⅝	3.00	Sears Roebuck	87⅜	89½
19⅝	12½	0.70	Socony-Vacuum	19⅝	19⅜
32½	25	1.50	Southern California Edison	26½	26⅝
65	23½	—	Southern Pacific	60⅝	59⅜
18⅛	14⅝	0.80	Standard Brands	14⅜	14⅝
14⅛	5¼	—	Standard Gas & Electric	10⅝	10¾
75½	51½	1.00	Standard Oil Co. of N. J.	72½	71⅜
78½	65	3.80	Sterling Products	66¼	66⅜
44⅜	33	2.00	Texas Gulf Sulphur	41¼	40⅛
18⅛	11	0.40	Transamerica	16	16⅜
110½	71⅝	2.80	Union Caride & Carbon	101¾	101½
149¾	108½	6.00	Union Pacific	143⅜	143¼
34⅝	20⅝	0.50	United Aircraft (New)	30⅜	30⅛
24⅜	13	0.20	United Airline Trans.	19⅞	19⅜
13⅝	4	—	United Corporation	6	6
19½	14	1.00	United Gas Improvement	14	14
59	31¼	—	U. S. Indus. Alcohol	39¾	40½
71⅞	16⅝	—	U. S. Rubber	67⅜	66
126	46⅜	—	U. S. Steel	119⅜	117
38⅛	16¼	—	Vanadium	35⅝	35⅛
18⅜	9¼	—	Warner Bros. Pictures	14⅜	14⅜
167⅝	94½	5.50	Westinghouse Electric	141	139¼

Call Money: 1 %

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Chinese Railways

Nanking-Shanghai and Shanghai-Hangchow-Ningpo Lines

From Shanghai to Nanking: 311.04 Kilometers

From Shanghai to Hangchow: 189.57 Kilometers

The Nanking-Shanghai Line extends from Shanghai, one of the greatest seaports in the world, to Nanking, the seat of the Nationalist Government of China. Short as it is when compared with the other trunk Lines in China, it serves a rich and densely populated district of preponderant importance, politically, as well as commercially and industrially. The whole Line is dotted over with points of known scenic beauty too numerous to be all mentioned here. Tourists and travellers should utilize the train service of this Line at least to visit Soochow, known as the "Garden City of the Orient," Wusih, the picturesque city on Lake Tai-hu, Chinkiang, the "Gate of the Yangtze River," and Nanking, a city rich in historic remains with the new grand Mausoleum of modern architecture for Dr. Sun Yat Sen, Founder of the Chinese Republic.

The Shanghai-Hangchow-Ningpo Line runs southwestward from Shanghai through a tract of beautiful places. At Lunghwa one will see the famous Pagoda with a long history attached to it; at Sungkiang, the observatory of the French Fathers at the summit of Sha Shan and the grave of General Frederick Ward; at Kashing, the South Lake and the Three Pagodas situated about two miles from the station; and at Hangchow, the present terminus of the Line from Shanghai, the renowned West Lake which called forth highest praise from Marco Polo, with such picturesque surroundings that it has been well called the "Switzerland of China." Tourists! A visit to Hangchow by the comfortable trains of this Line will give you the utmost satisfaction of travel and untold pleasure of sight-seeing.

For further information apply to the Traffic Manager of the two Lines at Shanghai North Station.

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